



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

Report of the "Bureau of Accounts"

Accounting Bulletin No. 1

DECISIONS UPON QUESTIONS

RAISED UNDER

CLASSIFICATIONS

PRESCRIBED BY

**U. S.,
THE INTERSTATE COMMERCE
COMMISSION.**

Bureau of accounts.

IN ACCORDANCE WITH

SECTION 20 OF THE ACT TO REGULATE COMMERCE

1908

Effective on July 1, 1908

**WASHINGTON
GOVERNMENT PRINTING OFFICE**

1908

10

THE INTERSTATE COMMERCE COMMISSION.

MARTIN A. KNAPP, *of New York.*

JUDSON C. CLEMENTS, *of Georgia.*

CHARLES A. PROUTY, *of Vermont.*

FRANCIS M. COCKRELL, *of Missouri.*

FRANKLIN K. LANE, *of California.*

EDGAR E. CLARK, *of Iowa.*

JAMES S. HARLAN, *of Illinois.*

EDWARD A. MOSELEY, *Secretary.*

INTRODUCTORY LETTER.

INTERSTATE COMMERCE COMMISSION,
DIVISION OF STATISTICS AND ACCOUNTS,
Washington, June 16, 1908.

TO CARRIERS CONCERNED:

This bulletin, entitled "Accounting Bulletin No. 1," contains the final answers to a series of questions submitted to the Division of Statistics and Accounts since the promulgation of the accounting orders under date of June 3, 1907. The cases selected are those which are regarded as important for the reason that they make clear the meaning or application of the text descriptive of the primary accounts covered by the Classification of Operating Expenses, the Classification of Operating Revenues, and the Classification of Expenditures for Road and Equipment. For convenient reference, the case numbers of Accounting Series Circulars Nos. 12 and 12a are preserved in this bulletin, and wherever, for any reason, a Case is omitted, a statement explanatory of the omission is inserted.

As a matter of information it may be proper to state that most of the answers to questions recorded in this bulletin have received the approval of the Association of American Railway Accounting Officers, minor changes having been made only where a modification of the language seemed desirable. This bulletin, taken in connection with Accounting Series Circular No. 12b, will comprise a complete file of important cases answered by this office previously to May 1, 1908.

HENRY C. ADAMS,
In charge of Statistics and Accounts.

INTERSTATE COMMERCE COMMISSION ACCOUNTING BULLETIN NO. 1.

QUESTIONS AND DECISIONS.

CASE 1.

Query. How shall debits and credits not provided for in Classifications of Operating Expenses and Revenues, such as Outside Operations and Additions and Betterments, be disposed of prior to receipt of formal order of Commission?

Answer. All accounting matters must be disposed of in conformity with the principles embodied in the orders of the Interstate Commerce Commission. Subject to this limitation, where not covered by such orders, they may be disposed of according to the judgment of the carrier.

CASE 2.

Query. When a carrier assumes proportion of switching charges collectible from another carrier, should such proportion be charged to freight revenue as "Switching Absorbed" and credited to freight revenue when collected?

Answer. This is a matter of bookkeeping, in which each carrier is for the present permitted to use its own discretion so long as the integrity of the prescribed accounts is maintained. (*See Case 214.*)

CASE 3.

Query. Is it essential that books be written up monthly by a road which has been heretofore in the habit of writing books up once in six months

Answer. Accounts should be written up monthly.

CASE 4.

Query. Is it permissible after July 1, 1907, to carry over balances in reserve funds? Such balances may consist of esti-

mated amounts of overcharges, switching, loss, damage, and personal injury claims.

Answer. Such balances in reserve accounts may be carried over. There is no objection to the creation and maintenance of reserves of this character, provided the charges to the various operating expenses and revenue accounts are adjusted yearly as far as practicable. Reserves should be held until liabilities are paid.

CASE 5.

Query. A judgment is rendered against a carrier, which is chargeable to operating expenses. Is it permissible to spread the amount thereof over several months, and even over more than one fiscal year?

Answer. Judgments and heavy or extraordinary expenses, due to fires, accidents, etc., may be spread over several months of a fiscal year, but permission must be obtained from the Interstate Commerce Commission if it is desired to extend the charges to "Operating Expenses" into the succeeding fiscal year.

CASE 6.

Query. To what account should the expense of "studies" by the Engineering Department be charged? By "studies" are meant tentative surveys, sinking test pits, etc., in connection with proposed work, prior to any authorization for the prosecution of the work. In some cases the work is ultimately not undertaken, and the expense can not therefore be charged against the job.

Answer. Such expense should be charged to convenient suspense or clearing accounts until such time as it can be determined where these expenditures belong, and then transferred to "Income," "Profit and Loss," "Construction," or "Operating Expenses," as may be appropriate.

CASE 7.

(Refers to Additions and Betterments. See *Accounting Series Circular No. 12b.*)

CASE 8.

Query. To what account should be charged loss and damage on company material?

Answer. The cost of all company material lost or damaged in transit should be charged to "Loss and Damage—Freight" under

"Transportation Expenses;" the text under that account is amended by eliminating the words " but not " in parenthesis in the third line and changed to read as follows:

"LOSS AND DAMAGE—FREIGHT.

"This account includes payments for loss, damage, delays, or destruction of freight, locomotives, and cars when waybilled as freight (including all company's material), parcels or express intrusted to the company for transportation, including live stock received for shipment; and all expenses directly incident thereto; freight in transit lost overboard from lighters (less insurance and amount recovered from sale of unclaimed and damaged freight); cost of repacking and boxing damaged merchandise and other property; pay and expenses of employees and others engaged as adjusters and in detecting thieves; and services and expenses of employees or others while engaged as witnesses in lawsuits in connection with loss and damage cases."

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 9.

Query. In adjusting material accounts to basis of inventory, what account or accounts should be credited or debited?

Answer. The differences in inventory debit or credit should be considered as having accrued in operating material, and should be debited or credited to the proper operating expense accounts on the basis of issuance of material to these accounts during the period since the last inventory adjustment, provided that where an overage or shortage on any particular class of material, such as ties, rails, fuel, etc., can be definitely determined, an adjustment should be made in the accounts affected thereby.

CASE 10.

Query. How shall taxes on joint facilities be treated?

Answer. Taxes paid upon property used jointly should be charged by the owner to taxes, and the proportion paid by the user should be charged by him to the appropriate rent account under "Income" account together with the rent, and not to taxes, a corresponding credit to rents received under "Income" account being made by the owner.

CASE 11.

Query. Shall rent of tracks based on percentage of valuation be charged to income under head of rents?

Answer. Yes.

CASE 12.

Query. To what account should be charged a rent of property based on interest valuation?

Answer. To an appropriate rent account under "Income" account.

CASE 13.

Query. We are renting a piece of ground belonging to another carrier, and upon this ground we have built tracks for our own exclusive use. To what accounts should be charged amount paid for the rent of the ground, and to what account should the carrier owning the ground credit the amount received from us?

Answer. Debits and credits should go respectively to appropriate rent accounts under "Income" account.

CASE 14.

Query. The A railroad company has a contract whereby about 4 miles of its track is used by another company without any expense of any kind to A. Kindly advise to what revenue account the rent should be credited?

Answer. To an appropriate rent account under "Income" account.

CASE 15.

Query. Road A is the lessor of certain track over which it does not operate its own trains. This track is used jointly by road B and road C, which pay a fixed rent, taxes, and maintenance, taxes and maintenance being apportioned between them on the basis of engine and car mileage. Should the taxes paid and collected by road A be credited to taxes or debited to taxes and credited same as rent to income? To what account should this item be charged by the lessee companies?

Answer. Taxes paid by lessor should be charged to taxes, and when collected by the lessor should be credited to an appropriate rent account under "Income" account. Rent paid in respect to such taxes should be charged by lessee to an appropriate rent account under "Income" account.

CASE 16.

Query. To what account shall be credited rents from property not used in the operation of the railroad? To what account shall be charged cost of repairs, insurance, taxes, and other expenses in connection with such property?

Answer. Rents received from rent of buildings and other property not included in the operation of a road should be credited to an appropriate rent account under "Income" account, and insurance, repairs, and other expenses incident to the care of the property should be charged to the same account. Taxes should be charged to "Taxes" account.

CASE 17.

Query. To what account should be charged rent of bridges?

Answer. Rents not including maintenance and operation should be charged to an appropriate rent account under "Income." Rents covering operation or maintenance or both should be divided by agreement of the parties into two parts, one of which shall be sufficient to cover cost of operation or maintenance or both, as the case may be, and should be charged to the appropriate "Joint-facilities" accounts in "Operating Expenses," and the remaining portion should be charged to an appropriate rent account under "Income" account.

CASE 18.

(Refers to Additions and Betterments. See *Accounting Series Circular No. 12b.*)

CASE 19.

Query. To what account should be charged discount on bonds issued for construction of new lines and for additions and improvements?

Answer. Discount on bond issues may be charged to an account which may be designated "Discount on Obligations Issued."

NOTE.—This answer may be modified in form when the rules for a standard balance sheet are issued. See case 101.

CASE 20.

(Refers to Additions and Betterments. See *Accounting Series Circular No. 12b.*)

CASE 21.

(Refers to Additions and Betterments. *See Accounting Series Circular No. 12b.*)

CASE 22.

(Refers to Additions and Betterments. *See Accounting Series Circular No. 12b.*)

CASE 23.

(Refers to Additions and Betterments. *See Accounting Series Circular No. 12b.*)

CASE 24.

Query. A carrier operates from A to B by rail and from B to C by water, making an arbitrary division of the revenues received between the rail and water lines. Does the proportion allowed water line from B to C constitute what is meant by "allowance" in Introductory Letter in Classification for Outside Operations?

Answer. Yes.

CASE 25.

Query. This company operates its parlor cars in the same trains with other passenger cars, and the expenses for such cars for general supervision, heating, lighting, cleaning, taxes, etc., can not be accurately ascertained and must be arbitrarily apportioned if they are to be treated in "Outside Operations." Therefore as parlor cars are operated by us in direct connection with the transportation business, are we permitted to charge the expenses on account of these cars to appropriate accounts under "Operating Expenses" and credit the receipts from such car fares to Account No. 4, "Parlor and Chair Car Revenue," under "Operating Revenues"?

Answer. Receipts from parlor cars where expenses are not sufficient to impair the statistics of rail operation may be credited to Revenue Account No. 4, "Parlor and Chair Car Revenue," and the expenses charged to appropriate operating expense accounts.

CASE 26.

Query. This company operates its stock yards in connection with its transportation business, it having no stock yards but what are called upon to furnish facilities for the company itself when occa-

sion arises, as well as to furnish facilities to shippers, for which service collections are made to cover same. It will be practically impossible for us to make an accurate separation of the expenses for services rendered the company from those rendered shippers. We would ask, therefore, if we are permitted to charge all expenses on account of such stock yards to appropriate accounts under "Operating Expenses," and to credit all receipts to Account No. 19, "Miscellaneous," under "Operating Revenues?"

Answer. Yes, if not inconsistent with the Introductory Letter and text of the Classification of Revenues and Expenses for Outside Operations.

CASE 27.

Query. Raise the question of the proper distribution of boat demurrage, both debit and credit. A charge is made against the traffic or the owner of the boat where it is delayed beyond a certain date, and payments are made to lines owning wharf facilities where one of our boats is tied up beyond a certain period.

Answer. Should be treated through the appropriate Outside Operation revenue and expense accounts if incidental to conducting an outside operation.

CASE 28.

(Refers to Additions and Betterments. See *Accounting Series Circular No. 12b.*)

CASE 29.

Query. Is it permissible to spread Insurance premiums, to be paid in any one year, over twelve months, provided adjustment is made at close of year to actual payments on this account?

Answer. Insurance premiums should be charged upon the basis of accruals. Where the premium covers twelve months' insurance, one-twelfth should be charged each month.

CASE 30.

Query. In the Classification of Operating Expenses, Third Revised Issue, I note under the heading "Buildings, Fixtures, and Grounds," insurance recovered, page 34, Note B, reading as follows:

"Insurance recovered on buildings, fixtures, and grounds should be credited to this account." Will you please advise me if it is intended that we shall credit "Operating Expenses—Buildings,

Fixtures, and Grounds"—with the total amount recovered from a building in the month in which payment is made by the insurance company?

I will explain that heretofore when a building was destroyed and the insurance recovered, we have credited the insurance to a temporary account, such as "Insurance Collected on Buildings Burned," subaccount "Depot at ——," for instance. When the depot was reconstructed, we charged the cost of the new depot to the last-named ledger account. In this way operating expenses were not disturbed in any way by the burning of the depot or the recovery of the insurance.

You will note that under instructions conveyed in Note B, page 34, we recover, say, \$25,000 for a depot destroyed, we would immediately—that is, in the month in which the money was received from the insurance company—credit operating expenses with the \$25,000. This will affect comparison with the previous month and with the same month of the previous year.

The above also applies to "Bridges, Trestles, and Culverts," Note C, page 29.

Answer. The above-stated manner of handling the accounts with respect to insurance, through a temporary account, is correct.

CASE 31.

Query. Are not Notes C, page 29, and B, page 34, of the Official Classification of Operating Expenses, Third Revised Issue, in conflict with the last clause of Note A on page 40, under Insurance, which provides that to Insurance shall "be credited all amounts recovered from insurance companies for damage to property reinsured by them?"

Answer. There is no conflict. The last-mentioned provision is restricted to the case of reinsurance, i. e., where a carrier acts as its own insurer and by suitable charges to operating expenses raises an insurance fund. In such case, if it is later deemed advisable to divide the risk in respect of any particular portion of the property, such property is reinsured with another insurer, the premium paid for such reinsurance is charged to the insurance fund, and the amount recovered in case of casualty is credited to such fund.

CASE 32.

Query. With reference to the note in the Third Revised Classification of Operating Expenses under each of the accounts, "Ties,"

" Rails," " Bridges," etc., is it intended that the several accounts shall include in any one fiscal year only the actual expenditures (of the character contemplated) made during the particular fiscal year, or is it contemplated that, if a company desires, it may authorize or approximate any sum that they may see fit, charging the amount so authorized or approximated to the accounts concerned without regard to the actual expenditures during any month or fiscal year?

Answer. Reserve accounts of this character may be raised by monthly charges to operating-expense accounts of sums estimated to be necessary for maintenance, but such charges should be adjusted annually to actual expenditures.

CASE 33.

Query. To what account should be credited old material released when equipment is condemned or destroyed?

Answer. Should be credited to the respective " Replacement " accounts.

CASE 34.

Query. To what account should be charged pay and expenses of employees allowed while attending inquests held by coroners?

Answer. To the appropriate " Injuries to Persons " account or accounts.

CASE 35.

Query. To what account should be charged rent of office for use of Claims Department in charge of injuries to persons and property other than freight and baggage?

Answer. Rents in such case should be considered as office expenses except when otherwise provided for.

CASE 36.

Query. In the case of a road owning one locomotive, the cost of which was charged to " Operating Expenses," should depreciation be computed and charged to operating expenses?

Answer. Yes; because otherwise current operating expenses would not be truly stated.

CASE 37.

Query. To what account should be charged the salary of fire chiefs?

Answer. To "Superintendence," under "Maintenance of Way and Structures."

Attention is called to Note B under that account.

CASE 38.

Query. To what account should be charged damages for overflows caused or alleged to be caused by inadequate waterways either in original construction or subsequent closing of waterways?

Answer. Appropriate "Maintenance of Way and Structures" accounts when for the carrier's own property, and "Damage to Property" when for property of others.

CASE 39.

Query. Should the cost of installing and operating interlocking or other signal apparatus at gravel pits be charged against the convenience account provided under the "Ballast" account?

Answer. Charge to "Ballast" clearing account.

CASE 40.

Query. Is it required that the regular charge to depreciation and credit to renewals shall be made on the roadbed?

Answer. No; not under present classification. Depreciation accounts for way and structures may, however, be kept as subaccounts if desired. In such case the names and descriptions of the subaccounts must be filed with the Interstate Commerce Commission. (*See Case 106.*)

CASE 41.

Query. To what account should be charged cost of cleaning car-cleaning yards (an expense resulting from the cleaning of cars)—to "Roadway and Track" or to "Train Supplies and Expenses?"

Answer. "Roadway and Track," under "Maintenance of Way and Structures."

CASE 42.

Query. To what account should be charged the expense of bonding rails in connection with signals and interlocking systems?

Answer. When chargeable to operating expenses, should be charged to account "Signals and Interlocking Plants," under "Maintenance of Way and Structures."

CASE 43.

Query. In reference to revenue and expense of commercial telegraph lines, please advise if we should include under that heading revenue and expenses from commercial telephone lines?

Answer. Revenue and expenses of commercial telephone lines should be treated the same as the revenue and expenses of commercial telegraph lines.

See Supplement effective on July 1, 1908, to the Classification of Operating Expenses for Steam Roads, Third Revised Issue. See also Supplement effective on July 1, 1908, to the Classification of Operating Revenues for Steam Roads, First Issue; and also Classification of Revenues and Expenses for Outside Operations for Steam Roads, First Issue, effective on July 1, 1908.

CASE 44.

Query. Third Revised Issue of the Classification of Operating Expenses, page 33, "Other Expenses" (subdivision of "Buildings, Fixtures, and Grounds"), reads:

"Cost of material used (less salvage) in repairing and renewing transfer tables," etc.

Should not the words "and labor expended" be inserted immediately preceding the word "in"?

Answer. The labor should follow the material, therefore the rule should be construed as suggested in the question.

CASE 45.

(Canceled. Refers to Equipment Borrowed and Loaned.)

CASE 46.

Query. Should not the word "operation" in the phrase "operation of joint facilities" in the notes on pages 40 and 58 of the accounts covering maintenance of joint tracks, equipment, etc., read "maintenance," and shall we so construe it?

Answer. The word "operation" is used in its broad sense, and should be construed to embrace maintenance or any other element of operating expense covered by such bills for joint operation.

CASE 47.

Query. It is observed that no provision is made in text for account "Freight-Train Cars—Repairs" for repairs to work cars used in commercial service. This company owns a large number of cars which it classifies as "ballast" cars, and which we constructed with the purpose of using in either work or commercial service. A large part of the time these cars are used in commercial service. Should not this class of equipment be treated as traffic cars?

Answer. If for a majority of the time the cars are used in commercial service they should be classified as commercial cars, regardless of the nature of the cars themselves.

CASE 48.

Query. Should charges to operating expenses be made for depreciation on equipment under a car trust which has not been fully paid for and to which title has not been acquired?

Answer. When equipment is bought under a trust agreement which provides that title to the equipment shall pass to the carrier after a certain number of payments have been made, depreciation charges should be set up on all such equipment as soon as it enters the service of the carrier.

CASE 49.

Query. As cars and locomotives will be broken up or set aside on different days of the month, and as new purchases will be made on various days within the month, it is going to be practically impossible to keep any accurate account of "Depreciation" according to days or fractions of a month. I would therefore ask what rule will be followed in making the monthly entries for "Depreciation" in case of equipment retired or purchased on various days within that particular month?

Answer. A full month's depreciation charge should be set up on all equipment in service on the first day of the month. Equipment coming into service after the first day of the month may be ignored in the depreciation charges for that month.

CASE 50.

(Canceled. Refers to Equipment Borrowed and Loaned.)

CASE 51.

(Canceled. Refers to Hire of Equipment.)

CASE 52.

Query. Is it correct for a switching road, whose cars seldom leave its own line, to charge to account "Hire of Equipment" the amount paid to other companies for the use of their equipment?

Answer. Yes.

CASE 53.

Query. To what account should we credit a bill made for engines and cars loaned at a daily rate to a contractor on construction work?

Answer. Should be credited to account "Hire of Equipment."

CASE 54.

Query. What is meant by the item near the top of page 43, "Special service, such as bringing locomotives to shops or watching them while on the way to shops for repairs" included in account "Steam Locomotives—Repairs?" Does this "special service" cover only the service of extra employees engaged in this connection, or does it include the pay of the engineer and fireman as well as additional employees engaged in the said "special service?"

Answer. By "special service" is meant the pay of engineers, firemen, and other employees bringing locomotives in need of repairs to shops or watching them pending their removal to or from shops. The pay of engineers and firemen on locomotives disabled in road service when able to complete the run to the terminal should be charged to "Road Enginemen." Consideration should be given in this connection to the account "Clearing Wrecks."

CASE 55.

Query. Classification of Operating Expenses, Third Revised Issue, page 47, under accounts: "Passenger-Train Cars—Renewals" and "Passenger-Train Cars—Depreciation," excludes parlor and sleeping cars, the operations of which are treated as "Outside Operations." To what account shall be charged renewals and

depreciation of parlor and sleeping cars, the operation of which is treated in Outside Operations?

Answer. The two accounts "Passenger-Train Cars—Renewals" and "Passenger-Train Cars—Depreciation" should be interpreted to correspond to the account "Passenger-Train Cars—Repairs," which excludes the general or shop repairs of parlor and sleeping cars whose operations are treated as Outside Operations.

See Supplement effective on July 1, 1908, to the Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 56.

Query. At various junctions on our car lines, a system of joint car inspection is in force, our line paying the total expenses and rendering bills against other lines interested. Should this expense be charged to "Freight-Train Cars—Repairs" by line carrying men on its rolls and same account credited for bills rendered?

Answer. Yes.

CASE 57.

Query. Do the two accounts following "Electric Equipment of Cars—Repairs," on page 49, refer to electrically propelled cars?

Answer. They do.

CASE 58.

Query. (a) Does the account "Power Plant Equipment" apply only to power plants for generating power for propulsion of locomotives, trains, and cars, or does it include the electric equipment in an electric power plant used for other purposes? (b) If intended to cover only power plants for propulsion of locomotives, trains, and cars, to what account should be charged electric machinery, with appliances, in a separate power plant used for operating machinery in shops, when used for shop purposes only?

Answer. (a) Applies only to power plants for generating power for propulsion of locomotives, trains, and cars.

(b) When chargeable to operating expenses should be charged to "Shop Machinery and Tools."

CASE 59.

Query. (a) Referring to accounts, "Power Plant Equipment" and "Operating Power Plants," in the Classification of Operating

Expenses, does "Power Plant Equipment" under "Maintenance of Equipment" cover the maintenance of power plants at shops generating electricity for running equipment, or is the account intended to cover the cost of maintaining power plant used to furnish electricity to electric railways only? (b) If the latter, should the cost of operating power plant in furnishing electricity for operating machinery be charged to account "Shop Machinery and Tools?"

Answer. (a) It is restricted to power plant furnishing current for propulsion of locomotives, trains, and cars.

(b) The cost of operating power plant furnishing current for operating shop machinery should be charged to the clearing account "Shop Expenses."

CASE 60.

Query. Should the cost of power at shops be charged to clearing account "Shop Expenses?"

Answer. Yes; the cost of power for all shop purposes should be charged to this account.

CASE 61.

Query. The text for clearing account "Store Expenses" provides that the account should be closed out at the end of the year. Should not a balance be carried over to next year representing cost of handling material in stock at end of year?

Answer. No.

CASE 62.

Query. To what account should be charged the salaries of chief special agents and their assistants who have police powers and have charge of yard watchmen, of employees investigating robberies and other depredations, and the preparation of evidence to be used in court cases where arrests have been made by the company?

Answer. To "Superintendence," under "Transportation Expenses."

Attention is called to Note under this account.

CASE 63.

Query. To what account should be charged the pay of telegraph operators located at towers whose duties are to receive orders

from dispatchers, in connection with train movement, and deliver them to the engineer and conductor?

Answer. To "Dispatching Trains."

CASE 64.

Query. At certain stations no regular agent is maintained, but local storekeeper or postmaster acts in that capacity, being paid commission based on tickets sold and local freight charges on shipments to and from respective stations. To what accounts are such compensations chargeable?

Answer. To "Station Employees."

CASE 65.

Query. To what account should be charged the payments to warehouse companies or contractors for loading or unloading freight under contract or otherwise?

Answer. To "Station Employees," if not in connection with "Outside Operations."

CASE 66.

Query. We note in Classification of Operating Expenses, effective July 1, 1907, page 64, "Station Employees," "Labor at Stations" includes employees at coal-dock terminals. Page 65, "Coal and Ore Docks," includes pay of employees at coal and ore docks. Is there not an apparent conflict and should there not be some explanation?

Answer. This matter is covered by note at top of page 65 of the Official Classification of Operating Expenses.

CASE 67.

Query. In reference to stock yards and the Classification of Operating Expenses: "Station Employees" includes "loading, unloading, feeding, and watering stock, labor at stock yards (other than repairs)." The account "Station Supplies and Expenses" includes "feed and water for stock when carrier is responsible." The account "Stock Yards and Grain Elevators" includes "pay of employees and cost of supplies and all other expenses incurred in operating stock yards or grain elevators which are not operated as "Outside Operations." Kindly advise us what class of expenses in connection with stock yards we should charge to

"Station Employees" and "Station Supplies and Expenses" and what to "Stock Yards and Grain Elevators."

Answer. The words "stock yards" under "Station Employees" refer to stock pens. "Stock Yards and Grain Elevators" under "Transportation Expenses" is eliminated from Official Classification of Operating Expenses, as the expenses enumerated thereunder when not chargeable to "Outside Operations" are provided for under "Station Employees" and "Station Supplies and Expenses."

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 68.

Query. To what account should be charged the cost of supplies used in switch lamps at points where no regular switching service is maintained?

Answer. To account "Station Supplies and Expenses."

CASE 69.

Query. To what account should be charged expenses of engines and crews engaged in assembling loads from mines to points of concentration and distributing empties to mines?

Answer. If freight is billed from the point of concentration, the expense of handling the cars between the mines and this concentrating point should be charged to the appropriate yard service accounts. If, however, the freight is billed from the mines, then the entire service should be classed as road service.

CASE 70.

(Answer not finally approved. *See Accounting Series Circular No. 12b.*)

CASE 71.

Query. I have in mind an instance where the train leaves C in the morning, makes a trip to D, 30 miles distant, and switches at that point about eight hours, then brings the train back to C. How should the service of such a train crew be divided?

Answer. Expenses to be divided on basis of service performed.

CASE 72.

Query. We also have, as does practically every other railroad company, way freight and pick-up trains, where a crew will be

allowed practically twice as much pay as the ordinary road crew and the service will be about twice as expensive, owing to the switching performed at various points on the line. Is it proper to charge the extra expenses to "Road" service?

Answer. Yes.

CASE 73.

Query. To what accounts should be charged the wages of motormen operating a gasoline motor car intended to be used for passenger service between two stations where it is not practicable to have daily train service; also to what account should be charged supplies furnished this car?

Answer. Wages of employees engaged in running revenue-service locomotives or motor cars other than electric should be charged to "Road Enginemen."

Cost of fuel and other supplies furnished to the motor cars in revenue service should be charged the same as cost of fuel and other supplies for road locomotives; the repairs to the locomotive feature of such cars should be charged to "Steam Locomotives—Repairs," and the repairs to the car feature should be charged to "Passenger-Train Cars—Repairs."

CASE 74.

Query. A railway company is furnished by a connecting line with a tank of water and has its locomotive turned. The connecting line makes a charge for the water of 50 cents, turning of locomotive 50 cents, and temporary use of track \$1. Should this expense be charged to "Train Supplies and Expenses?" If not, how shall it be distributed?

Answer. Water should be charged to "Water for Road Locomotives," turning of locomotive to "Enginehouse Expenses—Road," and temporary use of track to "Train Supplies and Expenses." Amount received for water should be credited to "Water for Road Locomotives," amount received for turning locomotive cred-

"Enginehouse Expenses—Road," and amount received for temporary use of track to Revenue Account No. 19, "Miscellaneous."

CASE 75.

Query. To what account should be charged fuel for sand driers?
Answer. To account "Other Supplies for Road Locomotives," in accordance with Note B under that account.

CASE 76.

Query. To what account should be charged the cost of labor and material expended in lubricating switches and signals?

Answer. Should be charged to "Interlockers and Block and Other Signals—Operation," except at terminals, when the labor should be charged to "Yard Switch and Signal Tenders," and the material to "Yard Supplies and Expenses."

See Supplement effective on July 1, 1908, to the Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 77.

Query. To what account should penalties imposed for failure to furnish cars under reciprocal demurrage laws be charged?

Answer. To "Other Expenses" under "Transportation Expenses."

CASE 78.

Query. To what account should be charged payments for damages for ejectment of passengers from train?

Answer. To "Injuries to Persons" under "Transportation Expenses."

CASE 79.

Query. To what account should be charged payment for damages because of failure of passenger train to stop at station to pick up passenger?

Answer. To "Other Expenses" under "Transportation Expenses."

CASE 80.

Query. To what account should be charged amounts paid for switching passenger equipment?

Answer. To appropriate revenue accounts when in revenue service.

CASE 81.

Query. To what account should be charged switching charges paid other carriers for moving empty equipment, as follows:

1. When delivered to a connecting carrier to be placed for loading, for which a charge is exacted in addition to that made for returning the car loaded.

2. When delivered to a connecting carrier to be placed for unloading; and when the empty is returned, a charge is made therefor in addition to that made for the movement of the load.

3. When equipment, under load, has been switched to a designated point by a connecting carrier for a consideration and the car has been loaded, it is then ordered switched to another industry in the yards of the switching carrier to be loaded for a point on the line of the carrier who made delivery to the switching carrier in the first instance, a charge being made for the movement of the empty, in addition to that made for delivering the car when loaded to the carrier for whom it was received in the first instance.

4. When a carrier, instead of maintaining facilities for performing the switching service, for which it makes no specific charge, hires some one else to do it in lieu of doing the work itself.

Answer. To Revenue Account No. 1, "Freight Revenue."

CASE 82.

Query. Are salaries and expenses of president and his clerks and assistants chargeable to "General Expenses," or distributed to "Maintenance of Way and Structures," "Maintenance of Equipment," "Transportation Expenses," "Traffic Expenses," and "General Expenses?"

Answer. If the president is also directly in charge of the departments usually supervised by officials named in the accounts "Superintendence" under "Maintenance of Way and Structures," "Maintenance of Equipment," "Traffic Expenses," and "Transportation Expenses," his salary and expenses and those of his clerks and assistants should be apportioned as set forth in Note B under the account "Salaries and Expenses of General Officers" under "General Expenses." If the president has, as is usual, only general supervision over the various departments, his salary and expenses should be charged to the account "Salaries and Expenses of General Officers."

CASE 83.

Query. How should the revenue derived from the transportation of milk waybilled be classified when handled—

(a) In solid trains which have first-class rights same as passenger trains?

(b) In trains which have accommodations for passengers?

Answer. Carriers will be permitted to keep the revenue from milk in their earnings under Account No. 1, "Freight Revenue."

and Account No. 7, "Milk Revenue (on passenger trains)," provided they treat train statistics in the same class as they do these earnings.

CASE 84.

Query. Proceeds from sale of local mileage tickets are creditable to Operating Revenues when sales are made. How shall such proceeds be apportioned among States, especially to States in which taxes are assessed on gross earnings?

Answer. Local mileage may be credited to Account No. 2, "Passenger Revenue," as used.

CASE 85.

Query. When a train is chartered for a guaranteed lump sum and tickets are sold to protect the guarantor against the use of the train by unauthorized passengers, should the entire amount of the guaranty, including the proceeds of the sale of individual tickets, be credited to Account No. 10, "Special Service Train Revenue?"

Answer. The amount received from the sale of tickets should be credited to Account No. 2, "Passenger Revenue;" the amount, if any, paid by the guarantor under the guaranty should be credited to Account No. 8, "Other Passenger-Train Revenue."

CASE 86.

Query. To what account shall coupons found in the covers of interchangeable mileage books returned for redemption be credited?

Answer. Unpresented coupons covering transportation for which the company has not performed service should be credited to Account No. 8, "Other Passenger-Train Revenue." (See Case 261.)

CASE 87.

Query. We have an arrangement with a company operating a mine located on our line whereby they guarantee that the earnings of a certain train that we run each morning shall be equivalent to 100 tickets at 5 cents each, or \$5. If we collect over 100 tickets, that settles the matter. If we do not, we call upon them for the difference between the amount we collect and \$5. To

what account should we credit this deficit which the mine is called upon to pay from time to time?

Answer. To Account No. 8, "Other Passenger-Train Revenue."

CASE 88.

Query. Referring to Account No. 3, "Excess Baggage Revenue," in the Classification of Operating Revenues prescribed by the Interstate Commerce Commission, I write to inquire if it is contemplated that the revenues to be entered under this heading should be restricted to those derived from carrying baggage, packages, articles, dogs, etc., belonging to passengers, or whether it should include also revenues derived from carrying packages and other things not incident to the carrying of passengers, such as amounts paid by newspaper publishers for carrying and distributing daily papers?

Answer. Revenue derived from carrying, in baggage cars, packages and other things not incident to carrying passengers should be credited to Account No. 8, "Other Passenger-Train Revenue."

CASE 89.

Query. To what account should be credited amounts of unclaimed penalty collections on train and unclaimed redeemable portions of mileage tickets and credentials?

Answer. To Account No. 8, "Other Passenger-Train Revenue."
(See Case 261.)

CASE 90.

Query. A mining company guarantees a certain amount of revenue on passenger trains. To what account should deficit paid by guarantors be credited?

Answer. The deficit collected from the guarantors should be credited to Account No. 8, "Other Passenger-Train Revenue."

CASE 91.

Query. Will switching include the amount received for a short movement between, say, two sidings within the territory under the control of one agent?

Answer. Yes.

CASE 92.

Query. To what account should charges for reconsigning and milling in transit be credited?

Answer. Where a charge for milling in transit or reconsigning is made in connection with or as a part of the through rate, such charge should be credited to Account No. 1, "Freight Revenue;" but when the charge is made separate from the through rate and can not be considered as any portion thereof, it should be credited to Account No. 11. "Miscellaneous Transportation Revenue."

CASE 93.

Query. An industrial company guarantees that its monthly payments for freight shall not be less than a certain minimum. In the event of a deficit, which is collected by the railway company, to what account should collection be credited?

Answer. To Account No. 11. "Miscellaneous Transportation Revenue."

CASE 94.

Query. To what account should charges for "Stop Off" be credited?

Answer. Where a charge for stop-off privilege is made in connection with or as a part of the through rate, such charge should be credited to Account No. 1, "Freight Revenue;" but when the charge is made separate from the through rate and can not be considered as any portion thereof, it should be credited to Account No. 11, "Miscellaneous Transportation Revenue."

CASE 95.

Query. To what account should be credited receipts for service rendered by a commercial telephone line?

Answer. See answer to Case 43.

CASE 96.

Query. With reference to the new Classification of Operating Expenses, I shall be obliged if you will give me your interpretation of a contract which we have recently made with a lumber and manufacturing company under which we gave that company the right to operate their logging trains over a portion of a gravel-pit track. In view of the fact that the lumber company is not a common carrier and will not report to the Commission, is it desired that the rent which covers in a lump sum the rent and maintenance should be treated under the Income account as a

rent or should a portion of the amount be credited to "Maintenance of Way and Structures" account "Maintaining Joint Track, Yards, and Other Facilities—Cr.?"

Answer. Such revenue should be credited to Revenue Account No. 18, "Rents of Buildings and Other Property."

CASE 97.

Query. To what account should be credited rent of space for lunch counter in passenger station?

Answer. To Account No. 18, "Rents of Buildings and Other Property."

CASE 98.

Query. What appropriate accounts are meant by last two words in note under Account No. 19 of Classification of Operating Revenues?

Answer. The words "appropriate accounts" refer to the proper "Joint-facilities" accounts in "Operating Expenses" and "Rent" accounts under "Income."

CASE 99.

Query. To what account should be credited the amount of commissions received by the carrier for collecting premiums on insurance policies, etc., from employees?

Answer. To Account No. 19, "Miscellaneous."

CASE 100.

Query. In Classification of Expenditures for Road and Equipment is it contemplated that Account No. 1, "Engineering," shall include the salaries of engineers specially employed to work on plans for steel bridges, docks, and wharves?

Answer. Yes.

CASE 101.

Query. Is it permissible to charge discount on bonds sold for construction purposes to Account No. 47, "Interest and Commissions" of the Classification of Expenditures for Road and Equipment?

Answer. No. See Case 19.

CASE 102.

Query. Account No. 7 of the Classification of Expenditures for Road and Equipment reads in part, "and other ties and railway crossing timbers." Are not railway crossing timbers also provided for in Account No. 15, "Crossings and Signs?" To which account should such timbers be charged?

Answer. Account No. 15, "Crossings and Signs," does not refer to railway crossings.

CASE 103.

(Answer not finally approved. See Accounting Series Circular No. 12b.)

CASE 104.

(Answer not finally approved. See Accounting Series Circular No. 12b.)

CASE 105.

(Answer not finally approved. See Accounting Series Circular No. 12b.)

CASE 106.

Query. Are carriers at liberty to set up depreciation accounts for the primary accounts under the general account "Maintenance of Way and Structures?"

Answer. No depreciation accounts have been prescribed by the Interstate Commerce Commission except those affecting the seven classes of equipment specifically named. It is recognized, however, that other classes of railway property are subject to depreciation, and carriers are permitted to set up subprimary accounts covering depreciation, provided that in so doing their accounts conform to the provisions of the order, dated June 3, 1907, prescribing the Classification of Operating Expenses, Third Revised Issue. In such cases the names and descriptions of such subaccounts must be filed with the Interstate Commerce Commission.

CASE 107.

Query. Is it the intention of the Commission that carriers may charge a certain percentage of depreciation on the original cost of equipment, regardless of where the equipment when new was

charged, and regardless of the amount written off for depreciation, or may carriers accept the present book value of equipment as the basis of the depreciation charges?

Answer. Depreciation should be charged on all the equipment in service on July 1, 1907, regardless of where charged when new, according to the rules laid down in paragraph 3, page 10, of the Classification of Operating Expenses, Third Revised Issue.

CASE 108.

Query. From instructions contained on pages 10, 11, and 12 of Classification of Operating Expenses in reference to the subject of depreciation on equipment, it might be interpreted that renewals and depreciations should be set up in separate replacement accounts for the several classes of equipment referred to on page 11, "(a)" to "(f)," inclusive, and that to the individual accounts should be charged, respectively, the purchase price of the several classes of equipment.

Answer. The instructions referred to should not be construed as precluding the use of the reserve created by depreciation charges on one class of equipment for the purchase or replacement of other classes of equipment; it is, however, desired that the books of the carrier should show at all times the amount accumulated on and the amounts expended for each class of equipment.

CASE 109.

Query. What rate per cent should be charged as depreciation on the several classes of equipment for which depreciation charges are required?

Answer. The Classification of Operating Expenses promulgated by the Commission does not state the specific per cent to be charged for depreciation on any class of equipment, for the reason that the conditions under which equipment is used vary so greatly that no uniform rate of depreciation for all roads could be reasonably determined. The proper rate will, of course, vary inversely with the life of the property to which it pertains, and its determination must take into consideration whatever affects the life of the property. Each reporting officer should determine the rate to be used according to such experience tables as he may be able to construct from equipment records.

CASE 110.

(Refers to additions and betterments. See *Accounting Series Circular No. 12b.*)

CASE 111.

Query. With all railroads it is quite necessary to have what perhaps might be termed an "Open Bill" account to take care of bills due from individuals and others for work performed either in the transportation or some other department rather than to credit such bills when made to different "Operating" accounts. Is it permissible to continue such an account?

Answer. Such an account may be continued, provided it does not infringe upon any of the prescribed accounts.

CASE 112.

Query. The Official Classification calls for a "Replacement Credit" account which includes depreciation and renewal of equipment. The X Railway Company is required under agreement with the Z Company to provide other equipment for that destroyed or sold or else pay the equivalent in cash to the Z Company to purchase equipment to replace that destroyed or sold. Is it permissible to keep a "Dismantled Equipment" account wherein to show the exact amount due the Z Company because of dismantled and sold equipment?

Answer. Such an account may be kept, provided it does not in any way infringe upon the accounts prescribed.

CASE 113.

Query. Donations to local fire departments along the line of our road for their services in assisting at fires have been charged to "General Expenses—Other Expenses," account services rendered covering buildings, equipment, and other property. Is this proper?

Answer. Yes.

CASE 114.

Query. Our company acquires the right to enter upon certain land and remove ballast. Should an account called "Operations of Gravel Pit at ———" be opened to cover this?

Answer. The amount paid for the rights should be charged to a clearing account, which may be appropriately designated as indicated.

CASE 115.

Query. At what time in the construction of a road is it required that the accounts be changed from "Classification of Expenditures for Road and Equipment" to "Classification of Operating Expenses" and "Classification of Operating Revenues?"

Answer. Accounting according to the Classifications of Operating Revenues and Operating Expenses should begin with respect to any particular portion of a road as soon as that portion has reached such a stage of completion that the commercial operations are the main portion of the business carried on over such portion; that is to say, so long as the commercial operations are only incidental, it is not required that they be treated through the accounts provided in the Classifications of Operating Revenues and Operating Expenses. It must be considered, however, that as soon as trains begin running regularly over any portion of the tracks, it is then appropriate to keep account of the disbursements and receipts for such portion of the road through the "Operating Expense" and "Operating Revenue" accounts. However, it should be understood that any expenditures for unfinished construction work should be charged to "Expenditures for Road and Equipment."

CASE 116.

Query. The A B Railway Company owns and maintains an interlocking plant at ————. The Y Z Railway Company uses this interlocking plant jointly with the A B Railway Company and pays interest rental on same and a proportion of maintenance and operation. Is the following method of disposing of the above charges to the Y Z Railway Company correct? Interest to "Rents Paid" under "Income" account; maintenance to "Maintaining Joint Tracks, Yards, and Other Facilities—Dr.;" operation to "Operating Joint Yards and Terminals—Dr.?"

Answer. Interest to "Rents Paid" under "Income Account;" maintenance to "Maintaining Joint Tracks, Yards, and Other Facilities—Dr.;" operation, according to location, to "Operating Joint Yards and Terminals—Dr.," or to "Operating Joint Tracks and Facilities—Dr."

CASE 117.

Query. A number of connecting lines charge this company a proportion of cost of operating joint interlockers, and credit "Maintenance of Joint Tracks, etc.," and we make similar bills against other lines. Should the expense be charged and credited as above?

Answer. If these joint interlockers are located at terminals, the carrier's proportion of cost of operation, when operated by other companies, should be charged against the account "Operating Joint Yards and Terminals—Dr." If located at points other than at terminals, the proportion of cost of operation should be charged to the account "Operating Joint Tracks and Facilities—Dr.," the caption of this account being amended as above, and the text modified accordingly, by the Supplement to the Third Revised Issue of the Classification of Operating Expenses. If bills cover expense of maintenance as well as expense of operating, the proportion of expense of maintenance should be charged against the account "Maintaining Joint Tracks, Yards, and Other Facilities—Dr." The road rendering bills should credit the corresponding Joint-facilities accounts. (See Case 275.)

CASE 118.

Query. Other lines have rendered bills against this company for proportion of salaries and other expenses of joint agencies, which have been credited to "Joint Tracks, Terminals," etc., and we make similar bills against other companies. Is the above classification correct, or should the same be charged and credited to "Station Employees," etc.?

Answer. With regard to the treatment of salaries and other expenses of joint agencies not within the definition of "Joint Facilities" contained in Accounting Series Circular No. 14, see the paragraph at the middle of page 2 of that circular. (See Case 193.)

CASE 119.

Query. Where an express company pays a fixed amount annually for express privileges over a road, including facilities at stations, etc., should any part of this be applied to Account No. 18, "Rents of Buildings and Other Property?" If so, how shall we arrive at the proportion?

Answer. When contracts do not provide specific separate amounts for rentals of facilities at stations, the entire fixed annual compensation should be credited to Operating Revenues, Account No. 6, "Express Revenue."

CASE 120.

Query. How shall payments for trackage rights be disposed of when made upon the basis of a stipulated sum per ton or per passenger, or upon the basis of a proportion of revenue accruing upon the transportation over the line covered by the trackage rights, or upon the basis of a fixed sum per year?

Answer. The payments should be apportioned by agreement of the parties into two parts, one of which is estimated to cover the maintenance and operation costs in respect of the traffic of the lessee, which portion shall be passed through the appropriate "Joint-facilities" accounts in Operating Expenses. The remaining portion should be charged by the lessee to appropriate rent accounts under "Income" account and credited by the lessor to appropriate rent accounts under "Income" account.

CASE 121.

Query. A carrier pays another road a certain sum per annum for trackage rights at a station, the charges being based on a percentage of the value of the property, the debtor company owning no interest in said property. To what account shall the debtor road charge the bill?

Answer. If the debtor company bears in addition to such sum its proportion of maintenance and operating charges, the percentage of value is a case of pure rent, and the creditor company should credit this percentage to appropriate rent accounts under "Income" account, and the debtor company should charge it to appropriate rent accounts under "Income" account. Otherwise the total charge should be apportioned by agreement of the parties into two parts, one of which shall cover, and only cover, the element of operation and maintenance, this portion to be charged and credited to the appropriate "Joint-facilities" accounts in Operating Expenses. The remaining portion is a pure rent, to be passed direct to the appropriate account under "Income" account.

CASE 122.

Query. Should amounts paid as license fees to cities for sidings on, along, or across streets be charged to "Taxes" or to "Rents"?

Answer. These fees are evidently paid to the city because the railway company occupies public property. They are thus in the nature of rents paid to a private landlord and should therefore be charged to appropriate rent accounts under "Income" account.

CASE 123.

(Canceled. Refers to Equipment Borrowed and Loaned.)

CASE 124.

(Duplicate of Case 53.)

CASE 125.

Query. Should all payments made for hire of equipment be disposed of through the account "Hire of Equipment"?

Answer. Yes. If for any reason it is desired to show separately the particular equipment concerned in a special case, this may be done through a subaccount.

CASE 126.

Query. Is the "Hire of Equipment" account applicable to switching roads?

Answer. Yes.

CASE 127.

Query. To what account should rent of lands and other property not used in the operation of the road or in outside operations be credited?

Answer. To appropriate rent accounts under "Income" account.

CASE 128.

Query. We have before us a bill against an estate for permission to cross our right of way with a sewer pipe, and another one against a telephone company for permission to cross over our tracks with a telephone line. How should these matters be considered? We reserve the right to revoke the permission at our pleasure.

Answer. The thing given is a mere license, and the receipt therefor may properly be credited to an appropriate account under "Income" account.

CASE 129.

(Canceled. Refers to Equipment Borrowed and Loaned.)

CASE 130.

Query. The A. & B. Railway Company renders bills against other roads for transferring cars at various points, made necessary by the fault of the road billed against, such bills including actual cost of transfer and per diem or car-hire charge accruing on the car during the time of such transfer. Would it be proper to credit items of this kind to account "Hire of Equipment"?

Answer. The portions of these bills covering per diem and car-hire charge accruing on the car at time of such transfer should be credited to the account "Hire of Equipment." The remainder of the bill should be treated as a "Switching Revenue." For the case where the load has to be transferred, see Case 131.

CASE 131.

Query. Our company renders the bills against other roads for transferring cars at various points, made necessary by the fault of the road billed against. A portion of each bill covers per diem and car hire accruing on the car at time of transfer, and the remainder of each bill covers, first, cost of transferring the car, and, second, a switching charge of \$1 per car for each car transferred. Please advise proper disposition of this matter.

Answer. The portions of these bills covering per diem and car hire accruing on the car at time of transfer should be credited to the account "Hire of Equipment." The portions of the bills covering the cost of transferring the contents of cars should be credited to the expense account "Station Employees." The \$1 per car for switching such bad-order cars may be credited to revenue Account No. 9, "Switching Revenue."

CASE 132.

(Refers to additions and betterments. See *Accounting Series Circular No. 12b.*)

CASE 133.

Query. Our company grants the privilege to certain other railroad companies to transfer their trains over a portion of its tracks, for which we charge a certain rate per car. These trains are not handled by the locomotives of our company, but we maintain and repair the tracks over which the trains move. How shall we treat this revenue?

Answer. The amounts thus received are gross rents and should be treated in accordance with the rule indicated in Case 17.

CASE 134.

(Answer not finally approved. See *Accounting Series Circular No. 12b.*)

CASE 135.

(Answer not finally approved. See *Accounting Series Circular No. 12b.*)

CASE 136.

Query. We operate a number of restaurants at various points on our line for the purpose of furnishing meals to patrons of the road. Recently we leased some of these restaurants at a nominal consideration, the lessee to have all receipts and pay all expenses, except that our company is to furnish coal and ice. We treat the restaurants operated by the railway company as outside operations and it is our intention to treat these expenditures for coal and ice for the leased restaurants as outside operations. May we do so?

Answer. Such leased restaurants are not operations as defined in the Introductory Letter to Classification of Revenues and Expenses for Outside Operations; i. e., no service is operated at them by the carrier; and therefore the cost of coal and ice furnished the lessee should not be charged to Outside Operations, but should be charged to Operating Expenses, Account No. 66, "Station Supplies and Expenses."

CASE 137.

Query. We should like to have an illustration of what would be termed a "rail-line expense" in connection with floating equipment as provided in the text to the account "Transportation Expenses"—"Operating Floating Equipment," page 78 of the Official Classification, in order to distinguish between that account and the Outside Operations account.

Answer. The account "Operating Floating Equipment" under "Transportation Expenses" is designed to cover the cost of operating floating equipment operated in connection with the carrier's transportation operations, such as car ferries, in lieu of a bridge or tunnel, etc.

CASE 138.

Query. I notice that sleeping cars are not listed among the cars classified as passenger-train cars in Note A under the account "Passenger-Train Cars—Repairs." Please advise if this was an omission or if it was the intention to make some other disposition of the case of repairs to sleeping cars.

Answer. Sleeping cars were omitted from the list of passenger-train cars because they should be treated as outside operations. All general or shop repairs to sleeping cars should be treated through Outside Operations, ordinary running repairs being charged to "Passenger-Train Cars—Repairs."

CASE 139.

Query. When our right-of-way agents purchased the right of way for our line we were compelled to buy quite a number of houses in order to get the lots through which our line was expected to run. When grading was commenced these houses were removed from the right of way thus purchased. As soon as we came into possession of these houses we rented them and have always reported such earnings in the Miscellaneous Income Account in our annual report to the Interstate Commerce Commission. In the Official Classification of Operating Revenues I fail to find any provision made for such income in Accounts Nos. 18 and 19. The houses that I have reference to are in no way used in the operation of the road. Please advise to what account such earnings should be credited.

Answer. Rents received from rent of buildings and other property not included in the operation of a road should be credited to an appropriate rent account under "Income" account.

CASE 140.

Query. This company purchased property, apart from right of way, upon which to erect a dwelling for the occupancy of the superintendent of motive power, taking the title thereto in the name of our vice-president, who filed with us a declaration of trust. How shall we classify this expenditure?

Answer. This expenditure should be charged to Account No. 3, "Real Estate," under Expenditures for Road and Equipment.

CASE 141.

Query. We own several houses not on the right of way of the company and are in doubt as to which account should be credited with these rents. Please inform us.

Answer. Rents received from rent of buildings and other property not included in the operation of a road should be credited to an appropriate rent account under "Income" account.

CASE 142.

Query. I note in "Outside Operations"—"Cold-Storage Plants," that such covers the operations of railway cold-storage plants for the use of which specific charges are made or allowances included in through rates. We charge our tenants in our warehouses a stated price per cubic foot per annum for refrigeration. Should this amount be credited to "Cold-Storage Plants"?

Answer. If the refrigeration operations can be treated satisfactorily as an outside operation—that is to say, if a fairly accurate determination of the cost of maintaining and operating such refrigeration operations can be made—the amounts charged tenants for refrigeration in warehouses should be credited to "Outside Operations"—"Cold-Storage Plants."

CASE 143.

Query. We have tug and barge lines carrying coal from Z Harbor points to points on the Y coast. May these be treated as outside operations; and if so, in which of the accounts proposed?

Answer. Yes; through "Outside Operations"—"Boat Lines."

CASE 144.

(Refers to Additions and Betterments. See *Accounting Series Circular No. 12b.*)

CASE 145.

(Refers to Additions and Betterments. See *Accounting Series Circular No. 12b.*)

CASE 146.

(Refers to Additions and Betterments. *See Accounting Series Circular No. 12b.*)

CASE 147.

Query. Is it proper to charge betterments to locomotives to the account "Locomotives—Replacement?" What I have particular reference to is the equipping of some of our freight locomotives with electric headlights.

Answer. Additions and betterments to equipment may be charged to the appropriate Equipment Replacement accounts.

CASE 148.

(Refers to Additions and Betterments. *See Accounting Series Circular No. 12b.*)

CASE 149.

(Refers to Additions and Betterments. *See Accounting Series Circular No. 12b.*)

CASE 150.

(Refers to Additions and Betterments. *See Accounting Series Circular No. 12b.*)

CASE 151.

(Refers to Additions and Betterments. *See Accounting Series Circular No. 12b.*)

CASE 152.

(Refers to Additions and Betterments. *See Accounting Series Circular No. 12b.*)

CASE 153.

Query. What account should be charged with obsolete material which is taken out of stock and sold as scrap?

Answer. The loss on such material should be adjusted in the next inventory account. (*See Case No. 9.*)

CASE 154.

Query. Our organization includes a stationer and a small force who, under the jurisdiction of the purchasing agent, buy the sta-

tionery supplies, distribute same on requisitions, and keep the stationery stock. To what account should the salaries be charged?

Answer. The stationer and his force bear the same relation to "Stationery and Printing" that the storekeeper and his force do to "General Stores," and should be treated through a clearing account analogous to "Store Expenses."

CASE 155.

Query. Note B, under "Ties," page 24 of the Official Classification of Operating Expenses, reads as follows: "This account may include each month a proportion of the total amount authorized or approximated for renewals during the fiscal year, regardless of the month in which the actual renewal is made." Are we authorized to handle in the same way our charges to "Injuries to Persons," "Stationery and Printing," and "Loss and Damage?" On account of the fluctuating charges of the above accounts we have, in the past, been making an estimated charge each month, adjusting the total at the end of the year to an actual basis for the twelve months. This has been done by running the items through a Suspense Account. The actual charges to these accounts vary to a large extent. For instance, we may have a charge to "Injuries to Persons" in one month of \$25,000 and the next month of but \$3,000.

Answer. The method proposed above for handling charges to "Injuries to Persons," "Stationery and Printing," and "Loss and Damage" accounts is satisfactory, provided that the charges be adjusted annually as far as practicable. Reserves should be held until liabilities are paid.

CASE 156.

(Answer not finally approved. See *Accounting Series Circular No. 12b.*)

CASE 157.

Query. We put in a great number of sidings and spur tracks each year to serve mines and lumbermen, which tracks are only temporary. We have been charging all new track material, such as rails, angle bars, and switches, direct to "Capital" account, and the ties, spikes, labor of grading, track laying, and surfacing to "Operating Expenses" when the track is put in. If old rails, angle bars, and switches are used no charge is made. We now

ask to be allowed to charge the cost of such temporary tracks (except track material) direct to "Operating Expenses." Is this permissible?

Answer. Until otherwise instructed the disposition above proposed is permissible.

CASE 158.

Query. In conducting business in the transportation of iron ore from mines a company is continually obliged to install mine tracks at mines to reach stock piles and ore bodies, these tracks being continually relocated and removed. How shall we consider the cost of installing and changing these tracks, and may we establish new primary accounts to cover this?

Answer. It is proper to consider the cost of relocating and changing these tracks to stock piles and ore bodies an operating expense. It is not permissible to set up new primary accounts. Subprimary accounts under the various primary accounts promulgated may be set up in accordance with the order of the Interstate Commerce Commission of June 3, 1907, relative thereto.

CASE 159.

Query. Referring to primary accounts "Maintaining Joint Tracks, Yards, and Other Facilities—Dr." and "Maintaining Joint Tracks, Yards, and Other Facilities—Cr.," and so on, does the word "joint" indicate joint ownership of the property?

Answer. No. The word "joint" indicates merely joint benefit and does not require joint ownership.

CASE 160.

Query. The A B Railway Company owns a certain mileage, 21 miles of which is operated jointly with the X Y Railway Company. Formerly the A B Company made all pay rolls, etc., on its blanks, billing against the X Y Company for its proportion of maintenance and operation on a wheelage basis. Later, on account of change of location of certain of the X Y Company's offices, it operated this joint territory and billed against the A B Company for its proportion of cost of maintenance and operation on a wheelage basis. The A B Company heretofore billed against the X Y Company for its proportion of the rent, based on the interest on one-half of the cost of the property used jointly. How shall this matter be disposed of on the present basis?

Answer. The detailed accounting for the operating expenses of this particular portion of tracks should be carried through the operating expense accounts of the X Y Railway Company, and the A B Railway Company's portions of these charges be credited by the X Y Company to the "Joint-facilities" creditor accounts and charged by the A B Company to the like-named debtor accounts. The interest upon one-half of valuation is a pure rent to be carried direct to "Income" account.

CASE 161.

Query. A carrier pays another road a monthly proportion of expenses of operating and maintaining a station and yards, the debtor company owning none of the property. To what account shall the debtor charge the bill?

Answer. The operating carrier should credit the monthly proportion of expenses of operating and maintaining station and yards to the appropriate "Joint-facilities" accounts and the debtor company should charge to the like-named debtor accounts. The maintenance account will be "Maintaining Joint Tracks, Yards, and Other Facilities;" the operating account will be "Operating Joint Yards and Terminals."

CASE 162.

Query. According to the Classification of Operating Expenses, is it proper to charge to renewals only the authorized or approximated amounts for renewals during the fiscal year, or are we allowed to handle this account in such manner as to provide for a period beyond the fiscal year?

Answer. "Operating Expenses" of any fiscal year should bear only such portion of appropriations for renewals as is necessary to provide for exact maintenance during that year. They should not be charged with any amount the expenditure of which goes to improve the property, or to provide for maintenance during later years.

CASE 163.

Query. Note A, under "Ballast," page 23 of the Classification of Operating Expenses, states that the cost of loading cinders at ash pits should be charged to account "Enginehouse Expenses—Yard," or "Enginehouse Expenses—Road." I presume that this note contemplated that the cinders would be loaded by engine-

house employees, while, as a matter of fact, the loading is often done by roadway employees. In case where this labor is performed by the roadway department, will it not be permissible for us to charge the expenses to "Ballast" instead of to "Engine-house Expenses?"

Answer. No; the charge should be made to "Enginehouse Expenses."

CASE 164.

Query. If a trackman is injured by a freight or passenger train, should the expense or settlement of that injury be charged to "Maintenance of Way—Injuries to Persons," or "Transportation Expenses—Injuries to Persons?"

Answer. The proper "Injuries to Persons" account to which this should be charged should be determined by the consideration of the department at fault. Where both are at fault, or where the one at fault can not be determined, the damage should be divided equally between the two accounts.

CASE 165.

Query. If a prospective passenger at a station should be injured by a work train, would that charge be to "Maintenance of Way—Injuries to Persons," or "Transportation Expenses—Injuries to Persons"? In other words, should not the class of the train doing the damage determine the charge?

Answer. It should.

CASE 166.

(Canceled. Refers to Work Equipment.)

CASE 167.

Query. The main part of the business of this company consists of handling ore and coal during the lake navigation season, and the bulk of our earnings accrue between the period of April 1 to November 30, inclusive. It has been our practice in the past with respect to the distribution of arbitrary charges affecting our income, such as interest on bonds, etc., to charge out the accruals for the year in the eight months' period above specified and make no charges for the same during the months December, January, February, and March, during which period our earnings are comparatively very small. Will it be proper to continue this practice

with respect to the depreciation charges—that is to say, for the balance of this year may we absorb in the five months, July 1 to November 30, one-half of the annual amount to be set aside in the replacement funds, instead of spreading the same through the six months, and for the annual depreciation charges for 1908 begin taking care of the same in the month of April?

Answer. It will be improper to distribute depreciation charges for the year arbitrarily among the months specified. The depreciation charge is not an arbitrary charge. It is a charge to "Operating Expenses" designed to cover the consumption of plant incident to operation. This consumption of plant, while probably greatest during the portions of the year in which the transportation operations are heaviest, does not depend alone upon the use which is made of the property. A considerable portion of the physical deterioration goes on whether the property is in active service or not, and the matter of obsolescence is entirely independent of the use of the property. The depreciation charges should be made from month to month in accordance with what may fairly be judged to be the actual depreciation or loss in value of the equipment in service. In the event that the depreciation is not charged at a uniform monthly rate, the rates used in charging depreciation for the various months of the year should be filed with the Division of Statistics and Accounts of the Interstate Commerce Commission.

CASE 168.

Query. Our equipment is all old second-hand equipment, which may be suitable for service for from three to fifteen years. What per cent of depreciation should be charged yearly against such equipment?

Answer. The order of the Interstate Commerce Commission prescribes no rate to be used for computing depreciation of equipment. Accounting Series Circular No. 13 contains the principles to be followed, and each carrier should determine its own rate.

CASE 169.

Query. A new freight car, valued at \$665, was destroyed in the month of July. Estimated salvage \$100, net loss \$565, no depreciation so far charged. Kindly advise full treatment of this matter.

Answer. Where a new freight car went into service on July 2, or later during the month of July, and was destroyed during the

month of July, salvage being \$100, original cost \$665, net loss \$565, the \$565 should be charged to account "Freight-Train Cars—Renewals," the \$100 should be charged to "Materials" or the equivalent account, and the "Freight-Train Cars—Replacement" fund should be credited \$665. If, however, the car was in service on July 1, 1907, depreciation charges should be made in respect of that car for one month's depreciation, in which case the renewals charge will be less than above stated by the amount charged on account of one month's depreciation. If the car was in service prior to July 1, 1907, account must be taken of the depreciation accrued prior to that date, in accordance with the principles given in Accounting Series Circular No. 13. When any car goes out of service, the principal sum upon which depreciation charges for this class of equipment are to be based should be adjusted accordingly.

CASE 170.

Query. Suppose a car valued at \$665 is sold after being placed in the "Equipment" account, the amount received being the original cost, what account should the bill for the value of the car be credited to, and what entries are necessary to make proper charge against "Freight-Train Cars—Renewals?"

Answer. In the case stated no charge to "Operating Expenses" is necessary, the "Cash" account or other equivalent account being debited and "Replacement" fund credited with the \$665.

CASE 171.

Query. In the text under "Depreciation," pages 38, 44, 45, 47, 49, 50, and 52 of the Classification of Operating Expenses, where the phrase "to provide a fund for replacement when retired" occurs, is the word "fund" to be interpreted as meaning merely a book account or are carriers supposed to set aside a distinct sum of money in bank for the purpose prescribed?

Answer. It is not necessary to set aside a definite sum of money in bank equal to the accumulations in the reserves for replacement of equipment.

CASE 172.

Query. Owing to the manner in which Equipment accounts and depreciation on equipment have been handled heretofore, and in accordance with the Classification of Expenditures for Road and Equipment, would it be proper to take an inventory of our equip-

ment as of July 1, 1907, putting a fair price on locomotives, etc., and credit "Locomotives—Replacement" fund, etc., for the increase to these different items, thus getting an inventory value of our equipment as of that date?

Answer. All adjustments of ledger accounts to inventory values of equipment of July 1, 1907, should be made as debits or credits to "Profit and Loss."

CASE 173.

Query. The line of the A B Railway Company together with that of the X Y Railway Company forms a through line between F and G. The A B Company having no shops of its own has all repairs to equipment made in the shops of the X Y Company. It is desired to charge into the accounts of each company the cost of repairs and other shop work performed for the respective companies, and for that reason treat the shop through what is substantially a clearing account for all expenses of the shop. May this be done?

Answer. Yes.

CASE 174.

Query. Frequently it is not possible to preserve the identity of scrap taken from cars and locomotives torn down, as it goes into the general scrap heap and is sold when there is a market for it. Is it proper for us to make as close estimates as possible of the value of scrap and second-hand material from equipment and use those estimates in making credits to "Replacement" accounts and in arriving at the amount to be charged to the different Renewals accounts in "Operating Expenses?"

Answer. Yes.

CASE 175.

Query. Am I correct in understanding that charges to "Renewals" accounts are to be made only when equipment is condemned, destroyed, or sold?

Answer. Charges to Renewals accounts are to be made only when equipment goes out of service. In this connection see Accounting Series Circular No. 13.

CASE 176.

Query. Supposing one of our cars is destroyed on the rails of a foreign line and we merely bill against them for its present

value, which would be the original cost less depreciation of — per cent per year. Should this amount be credited to "Freight-Train Cars—Repairs," or would it be proper to credit the amount of the bill to "Replacement" fund, so that when the car is rebuilt it could be charged to the same account?

Answer. Credit to "Freight-Train Cars—Replacement."

CASE 177.

Query. At ——— our power house, which is used for running different machines in the shops, is run by electricity, and not only furnishes power for the running of the machines but also has two dynamos through which electric lights are furnished to the passenger station, freight office, and other buildings. We can, of course, determine definitely the cost of labor for producing the electric light for the lighting of the buildings and can make charges to the proper accounts, but we can not divide the fuel and supplies directly among any of the accounts. Should not such supplies be charged to clearing account "Shop Expenses" and prorated among the accounts on the basis of the distributed charge to each individual account?

Answer. Yes.

CASE 178.

Query. We have a power house which supplies electric light for a large passenger station, freighthouses, and warehouses, as well as a train shed, also furnishes heat for the same building, as well as refrigeration for cooling boxes in the warehouses. This plant is operated as one and serves the different buildings mentioned. Shall it be understood from the classification that the expense of operating this power plant shall be charged to account on page 74, "Operating Power Plants," and that the repairs should be charged to account on page 52, "Power Plant Equipment?"

Answer. The expense of operating such a power plant may be treated through a clearing account and distributed to the various accounts chargeable with product furnished. The repairs to the building and the machinery therein should be charged to "Buildings, Fixtures, and Grounds."

CASE 179.

Query. Shall it be understood that total charges to the clearing accounts "Shop Expenses" shall be distributed only among the

accounts specially mentioned in the Official Classification in that connection, or may the distribution be made over all accounts affected?

Answer. The distribution should be made upon the basis of distributed labor over all accounts affected.

CASE 180.

Query. With regard to power plants not chargeable to "Outside Operations," but which are used to generate current for purposes other than the propulsion of electric locomotives, trains, or cars, it has been our custom to include the cost of maintenance of buildings and the equipment of plant, together with the cost of operating the same, in a convenience account. The product is distributed and charged to the various accounts affected. How shall this matter now be treated?

Answer. If the power plant is used solely for the purpose of furnishing power to shops, the cost of operation should be disposed of through the clearing account "Shop Expenses." The cost of maintaining buildings should be charged to "Buildings, Fixtures, and Grounds," and the cost of maintaining machinery to "Shop Machinery and Tools." If used only in part for the purpose of furnishing power to shops, a separate clearing account may be set up covering the expense of operation of the power plant, such expense being distributed among the various accounts affected.

CASE 181.

Query. Should not premiums paid on insurance covering contents of storehouses representing company's material in stock be charged one-twelfth each month to "Store Expenses" and prorated over the issues of the month?

Answer. The "Insurance" account in the Official Classification of Operating Expenses includes all premiums made or paid by a carrier to its insurance fund and premiums (except reinsurance premiums) paid by it to insurance companies; therefore the monthly proportions of premiums referred to in query should be charged direct to "Insurance" account in operating expenses.

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issuc.

CASE 182.

Query. To what account should be charged the cost of insurance on floating equipment?

Answer. To account "Insurance" under "General Expenses," except when chargeable to "Outside Operations."

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 183.

Query. Referring to page 55, explanatory note, clearing account "Shop Expenses," I understand that a clearing account is to be opened by the maintenance of equipment department, to which certain designated expenses are to be charged. This account is to be closed monthly into certain primary accounts, on the proportion that the total of such expenses bears to the total distributed labor by that department. Am I correct?

Answer. Yes.

CASE 184.

Query. Referring to page 85, Note C, am I to understand that the pay of purchasing agents, storekeepers, etc., is chargeable to material accounts through the clearing account "Store Expenses," and that such expense shall be added to the cost of material in addition to the original cost?

Answer. The pay of purchasing agents, storekeepers, etc., should, when their services are entirely devoted to the purchasing and handling of materials, be charged to the clearing account "Store Expenses" and distributed upon the material carried through the storehouses.

CASE 185.

Query. Referring to page 58, heading "Store Expenses," to what primary accounts should the storehouse expenses and purchasing department expenses be apportioned, or should the total expenses be charged to material account and the cost of material increased accordingly? All material issued through the storeroom is purchased through the purchasing department, and issued from the storeroom by the same department.

Answer. If the purchasing department's services are devoted entirely to the purchase of material carried through the storehouse, the expenses of such department may be charged to the "Material" account and enter into the value of material issued or may be charged direct to the appropriate operating expense or other accounts.

CASE 186.

(Canceled. Refers to Equipment Borrowed and Loaned.)

CASE 187.

(Canceled. Refers to Equipment Borrowed and Loaned.)

CASE 188.

Query. How should the wages of engineers and firemen and expenses of locomotives, etc., be apportioned?

Answer. Between "Yard" and "Road" service accounts, in proportion to the service rendered.

CASE 189.

Query. If a road locomotive performs yard service during a part of the day in a yard where regular switching service is maintained, is it permissible to class the expenses of such road locomotive as "Road Locomotive" expenses?

Answer. The expense of the service of the road locomotive should be apportioned between "Road" and "Yard" service on the basis of the service rendered.

CASE 190.

Query. On the A and B Railroad Company we have no regular yard crews, the regular train crews making up their own trains at terminals before leaving. May expense be divided between "Yard" and "Road" service on the basis of mileage, using 6 miles per hour constructive mileage for yard work?

Answer. The expense should be divided between "Yard" and "Road" service on the basis of service rendered.

CASE 191.

Query. Our road, less than 10 miles in length, affords in connection with other roads, all of which it crosses, a means for the interchange of freight traffic between these other roads. Manufactories and industries located along its line and siding extensions are also afforded service to and from each of the other roads with which it connects. The traffic handled, practically all freight, is moved at a fixed rate for each loaded car handled, irrespective of

destination or character of lading, no charge being made for the movement of empty cars. Is it proper to credit our earnings to "Switching" revenue and treat items of transportation expenses as "Yard" expenses?

Answer. The earnings should be credited to "Switching Revenue" and the transportation expenses be treated as "Yard Expenses" in contradistinction to "Road Expenses," where it is necessary to distinguish between them.

CASE 192.

Query. Our railway is purely a terminal road engaged in switching cars to and fro between the manufactories located on the lands of the ——— Company and the A B and C D railway companies. Should our transportation expenses be reported as "Yard" or "Road?"

Answer. If the service is purely a switching service—that is to say, if the charges for such service depend solely on the number of cars moved and are independent of the commodity, weight, and character of the loading of such cars—the transportation expenses should be treated as a "Yard" service expense.

CASE 193.

Query. Another company pays the salary of the agent and his assistants at a station where some switching is performed, but not at a regular yard, and bills our company for one-half of the amount. Should the company paying the expenses credit the operating account to which this expense is charged, viz, "Station Employees," with their bill against us, or should they credit "Operating Joint Yards and Terminals—Cr.?"

Answer. It is not expected, for the present, that joint employees will be considered joint facilities. It will at present, therefore, be necessary for the creditor company to credit the proportion of salaries of agents and assistants in such case charged against another company to account "Station Employees," and the debtor company to charge its proportion to the same account. This applies only where the joint arrangement affects employees alone. Where the employees are engaged in maintaining or operating joint facilities, their salaries and expenses are a part of the joint-facilities expenses treated through the "Joint-facilities" accounts. In this connection see page 2 of Accounting Series Circular No. 14.

CASE 194.

Query. What account should be credited with money received from other railroads for water furnished their locomotives?

Answer. The account originally charged, "Water for Yard Locomotives," or "Water for Road Locomotives," as the case may be.

CASE 195.

Query. The A B Railway Company runs its equipment and crews from F (the junction between that company and ours) over our lines to H and return, for which we pay that company 15 cents per mile for passenger locomotive service when in regular runs. When run in special passenger service or freight service, we pay 30 cents per mile. How shall we dispose of these charges?

Answer. The two carriers interested should agree upon an apportionment of the mileage charge, and the portion allotted to the locomotive should be passed through the "Hire of Equipment" account; the portions allotted to enginemen, fuel, water, waste, etc., should be passed through the appropriate primary operating expense accounts. Statistics of miles made between the two points must follow the expense for such service.

CASE 196.

Query. Under what head should labor of lighting switch lamps be charged?

Answer. If not at terminals, it should be charged to "Station Employees;" if at terminals it should be charged to "Yard Switch and Signal Tenders."

CASE 197.

Query. To what account should be charged care of switch lamps at stations along the line?

Answer. When at stations at which no regular switching service is maintained, the labor should be charged to "Station Employees" and the supplies to "Station Supplies and Expenses."

CASE 198.

Query. Referring to the account, "Station Employees," on page 64, the sixth line mentions telegraph operators at stations. Does this cover telegraph operators at large freight stations who perform no other service, or should the salary of such operators be

charged to the account on page 77, "Telegraph and Telephone—Operation?"

Answer. Salaries of telegraph operators at stations should be charged to "Station Employees."

The classification is revised by amending the text under "Telegraph and Telephone—Operation" by striking out the words "who also perform other station work" in the first paragraph of that account at the top of page 78.

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 199.

Query. Under the rules of the Produce Exchange there is a deputy inspector of weights who attends to all loading of grain for export at our ———— terminal. His salary is paid by the Produce Exchange. His duties are to inspect, measure, and grade the grain. It occasionally happens that we want to load this grain out of hours, and in order to have the services of this man after working hours and on Sunday we have to pay for such services. To what account should such payments be charged?

Answer. To "Station Employees" if not incidental to an outside operation.

CASE 200.

Query. To what account should be charged stationery and printing expenses incurred on account of operating floating equipment?

Answer. To "Stationery and Printing" under "Transportation Expenses," when not incidental to outside operations.

CASE 201.

Query. Our superintendent of water service has charge of production of treated water for use of locomotives and his duties are confined exclusively to this work. May we charge his salary to the account "Water for Yard Locomotives" or "Water for Road Locomotives," as the case may be?

Answer. Yes.

CASE 202.

Query. How shall we dispose of amount allowed for loyal service and overtime work of certain employees during a strike

of the coal shovelers and laborers and sympathetic strike of roundhouse men?

Answer. The amount allowed for loyal service and overtime work of certain employees during a strike should be charged to the same account as would have been charged for the work had it been performed during regular time.

CASE 203.

Query. Should hostlers and helpers at roundhouses be classed as enginemen and charged as are the latter to "Yard Enginemen" or "Road Enginemen," or should they be classed under "Enginehouse Expenses"—Road or Yard?

Answer. Pay of hostlers and helpers at roundhouses should be charged to "Enginehouse Expenses—Road" or "Enginehouse Expenses—Yard," as the case may be.

CASE 204.

Query. We have a number of men employed on our road who are known as gatemen, who operate gates which are in reality signals at railroad crossings, not highway crossings. Is it proper to charge the pay of these men to "Interlockers and Block and Other Signals—Operation?"

Answer. Yes.

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 205.

Query. To what account shall expenses of station employees be charged, such as car fare, traveling expenses, etc.?

Answer. To "Station Supplies and Expenses."

CASE 206.

Query. In the matter of cars which do not pass inspection at junction points, by reason of which loads are transferred, it has been customary to make, in addition to the cost of the transferring, a charge for switching. To what accounts should this item of switching be charged by the road bearing it, and how should it be credited by the road receiving it?

Answer. This item of switching should be credited by the receiving company to Revenue Account No. 9, "Switching Revenue," and charged by the paying company to account "Other Expenses" under "Transportation Expenses."

CASE 207.

Query. How shall we dispose of the expense to a company for having its checks cashed at banks; also for drafts issued payable in other cities in payment of the company's indebtedness?

Answer. These two items should be charged to "Other Expenses" under "General Expenses."

CASE 208.

Query. A company devotes annually to a pension fund, say, \$30,000. The amount of pensions actually paid during the past year was, say, \$10,000. How should these amounts be treated?

Answer. The \$30,000 devoted annually to the pension fund can not be considered a proper charge to "Operating Expenses." "Operating Expenses" are chargeable only with amounts of pensions paid to retired employees and expenses in connection therewith. (*See Case 302.*)

CASE 209.

Query. The management of our company consists of several officers receiving no salary, also a general bookkeeper and auditor, whose salary we would charge to "General Expenses." Is this correct? We also have a general superintendent located on the road, who is responsible for the whole local management of the road. Further, we have a general agent, also locally located, who performs the duties of clerk to the superintendent and of local agent at the only station where we have an agent and local accountant. How shall we dispose of these salaries?

Answer. The salary and expenses of the general bookkeeper and auditor should be charged to "Salaries and Expenses of General Officers." The salary and expenses of the general superintendent should be charged as per note on page 64 of the Official Classification of Operating Expenses. The salary and expenses of the general agent should be charged in accordance with services rendered.

CASE 210.

Query. With respect to terminal roads, what rule should be followed in dividing earnings between "Freight Revenue" and "Switching Revenue"?

Answer. See revised text for Account No. 9, "Switching Revenue," in the Supplement, effective on July 1, 1908, to Classification of Operating Revenues for Steam Roads, First Issue.

CASE 211.

Query. With regard to freight overcharges under the subject "Reserve Funds," will it be permissible to charge against this balance any reserve overcharge claims paid during the present fiscal year, making such further accruals by charges against our revenue accounts as shall cover estimated existing overcharge claims, thus maintaining a sufficient reserve to approximately cover all outstanding claims at any given time?

Answer. Reserves should be held until the liabilities are paid.

CASE 212.

Query. For several years past our company has paid the A B Company one-half of the cost of towing their boats to and from our wharf at Y. It seems to me this might be termed "water switching," and we would ask if it is not proper to charge this service to "Freight Revenue"?

Answer. Yes.

CASE 213.

(Answer not finally approved. See *Accounting Series Circular No. 12b.*)

CASE 214.

Query. On a car received from a connecting carrier certain switching was necessary at X Junction, charges for which amounted to \$20, and were absorbed by our line. A portion of this switching charge absorbed was recovered from another connecting carrier. How shall this matter be treated?

Answer. The net switching charge absorbed should be charged to the account to which was credited the revenue upon the shipment.

CASE 215.

Query. The A & B Railway Company enjoys the use of our tracks, station buildings, and other facilities between X and Y, paying therefor a specified rent on a valuation basis, wheelage proportion of maintenance, and agreed proportions of station service (principally covering train telegraph service). The A & B Railway Company has no right to transact a local business between the points above named. Recently our operating officials entered into an agreement under which the A & B trains should handle our local freight and passenger business between those points for a stipulated percentage of the revenue. Note C under account "Passenger Revenue" reads as follows: "When a lessee company transports passengers over the tracks of another carrier on the basis of a proportion of revenues, it should include the entire compensation in its revenues and statistics, charging the appropriate joint facilities expense and rent accounts with the amount paid the lessor company, and the lessor company should credit the same accounts." No similar provision is made for a like case under "Freight Revenue." Applying Note C to our case, I take it to mean that the A & B Railway Company should include in its passenger revenue the full revenue from our line tickets taken up and should charge its "Operating Expenses" accounts with the proportion accruing to our line. Should like disposition be made of freight revenues from local traffic between X and Y?

Answer 1. The amounts paid by the A & B Railway Company for use of tracks, station buildings, and other facilities between X and Y, based on a specified rent and proportions of maintenance and operation expenses, should be handled through the appropriate "Joint-facilities" accounts in "Operating Expenses" and "Income." The lessor company should charge its various operating expense accounts with the full cost of operation and maintenance.

2. The A & B Railway Company should include in its freight and passenger revenues the entire receipts of the local freight and passenger traffic between X and Y, and the proportion accruing to the lessor company should be handled through the appropriate "Joint-facilities" account in "Income." Note C referred to applies only when the proportion of the revenues paid is the full payment for use of joint tracks, etc., and it is intended that such payments should be apportioned to the "Joint-facilities," "Operating Expenses," and "Income" accounts affected.

CASE 216.

Query. Our ——— ——— ——— train stops at X, but tickets to that point can not be bought for this train. The first billing point would be Y. It sometimes happens that a party desiring to get to X in a hurry buys a ticket to Y and leaves the train at X, thus leaving an unused portion of the ticket in the hands of the conductor, which is returned to the auditor of passenger accounts. Or, in the case of reduced rate in connection with some special feature, a person desiring to visit an intermediate point will buy an excursion ticket and not use it clear through to destination. How should these cases be treated?

Answer. The full amount received upon the sale of the ticket should be credited to Revenue Account No. 2, "Passenger Revenue."

CASE 217.

(Canceled. Refers to revenue on company's freight.)

CASE 218.

Query. Our road enters ——— ——— ——— over leased lines, and not having terminal facilities of our own at this point, we look to connecting lines to do our switching. The A B Railroad Company bills against us for switching cars, both where that company participates in the earnings and where it does not (the charges in the latter case being higher), and in some cases whether the cars be loaded or empty. How shall we treat the various switching charges?

Answer. Such charges on loaded cars should be charged to Revenue Account No. 1, "Freight Revenue;" switching charges on empty cars, when not in connection with loaded movements, should be charged to account "Other Expenses" under "Transportation Expenses." When the empty movement is in connection with a loaded movement, and purely incidental thereto, the amount paid therefor should be charged to Revenue Account No. 1, "Freight Revenue."

CASE 219.

Query. Grain is transported to X from points west and is transferred from cars to elevators. Railroad companies receiving grain from such elevators for transportation pay to the elevator

company one-quarter of 1 cent per bushel, this charge being covered by a note in our tariff. To what account should such charges paid to the elevator company by the railway company be charged?

Answer. To Revenue Account No. 1, "Freight Revenue."

CASE 220.

Query. What is the proper disposition of payments made to industrial concerns for services of their switch locomotives? We find it cheaper or more convenient to pay the industrial concerns the rate set forth in our tariff and have them do their own switching rather than to assign one of our own locomotives to that service.

Answer. Payments of this nature may be disposed of by charging them to Revenue Account No. 1, "Freight Revenue."

CASE 221.

Query. In the case of passenger trains run under a guaranty where you provide for splitting the revenue between "Passenger Revenue" covering amount received from the sale of tickets and "Other Passenger-Train Revenue" for the deficit made up by the guarantor I assume that the entire mileage should go under the head of "Passenger-Train Miles" and not under that of "Special-Train Miles." Is this correct?

Answer. Yes; unless the train is a mixed train.

CASE 222.

Query. This company handles picnic trains between X and V on the following basis: (1) So much for each train at an agreed price per coach without regard to the number of people handled; (2) so much for each passenger with a guaranty of so much revenue. In case the revenue per capita does not equal the guaranty, the deficiency is paid to the company. What is the proper classification in revenue account?

Answer. In the first case stated the revenue should be credited to Revenue Account No. 10, "Special Service Train Revenue." In the second case proposed the portion of the receipts based upon the rate per passenger and the number of passengers should be credited to Account No. 2, "Passenger Revenue;" the remainder, if any, received under the guaranty should be credited to Account No. 8, "Other Passenger-Train Revenue."

CASE 223.

Query. Circus trains are handled between stations at a lump sum for a train, with a limitation on the number of people carried. Am I correct in assuming the revenue should be credited to Revenue Account No. 10, "Special Service Train Revenue?"

Answer. Yes.

CASE 224.

Query. In case of picnic trains, chartered trains, and theatrical trains, where the revenue is properly credited to Revenue Account No. 10, how should the number of passengers, the train mileage, and the car mileage be treated, as far as passenger statistics are concerned; that is, in ascertaining rate per passenger per mile, etc.?

Answer. No accounts should be kept of passengers and passenger miles where the revenue is properly credited to Operating Revenues Account No. 10, "Special Service Train Revenue." With regard to train-miles, car-miles, locomotive-miles, etc., see the Classification of Locomotive-Miles, Car-Miles, and Train-Miles.

CASE 225.

Query. We derive revenue from transferring trains of other railroad companies over a portion of our tracks with our own power, for which we charge a certain rate per car. What disposition should be made of this revenue?

Answer. This should be credited to Revenue Account No. 11, "Miscellaneous Transportation Revenue."

CASE 226.

Query. How should the earnings in respect of parlor-car service be treated?

Answer. When the parlor-car service is not an outside operation, such earnings should be credited to Revenue Account No. 4, "Parlor and Chair Car Revenue."

CASE 227.

Query. We ran a special train from A to B, destined to a point beyond, and required for our service a guaranty of \$114. Tickets collected amounted for our portion to \$51.65. We collected the remainder from roads beyond. How shall we treat this?

Answer. The portion collected under the guaranty should be credited to Revenue Account No. 8, "Other Passenger-Train Revenue."

CASE 228.

(Answer not finally approved. *See Accounting Series Circular No. 12b.*)

CASE 229.

Query. Garnishment suits are frequently entered against railroads covering amounts due from them to other parties. In certain States the garnishee is allowed a fee for answering any such suits. What treatment should be followed as to this matter?

Answer. Credit garnishee fees to Revenue Account No. 19, "Miscellaneous."

CASE 230.

Query. To what account should sale of gravel from company's gravel pit be credited?

Answer. Profit should be credited to Revenue Account No. 19, "Miscellaneous." The average cost of production should be credited to the ballast clearing account.

CASE 231.

Query. Is the "Car-Service" account to be credited with the amount of car service accruing in the current month or only with the amount actually paid during that month?

Answer. Credits to Revenue Account No. 16, "Car Service," should be upon the basis of accruals.

CASE 232.

Query. Our road occasionally has opportunity to dispose of cinders. To what account should amounts thus received be credited?

Answer. Such credits should be made to Revenue Account No. 19, "Miscellaneous."

CASE 233.

(Answer not finally approved. *See Accounting Series Circular No. 12b.*)

CASE 234.

(Answer not finally approved. See *Accounting Series Circular* No. 12b.)

CASE 235.

Query. This company acquired from the A & B Railway Company (whose property we purchased en bloc) about 75 freight cars in bad condition. These cars were taken over at an estimated value of \$200 each and are not used in operating the property, but are held for work in grading, etc., and repairs have heretofore been charged to the work benefited. May we follow this procedure in the future?

Answer. Yes.

CASE 236.

(Answer not finally approved. See *Accounting Series Circular* No. 12b.)

CASE 237.

(Answer not finally approved. See *Accounting Series Circular* No. 12b.)

CASE 238.

(Answer not finally approved. See *Accounting Series Circular* No. 12b.)

CASE 239.

(Answer not finally approved. See *Accounting Series Circular* No. 12b.)

CASE 240.

(Answer not finally approved. See *Accounting Series Circular* No. 12b.)

CASE 241.

(Answer not finally approved. See *Accounting Series Circular* No. 12b.)

CASE 242.

(Answer not finally approved. See *Accounting Series Circular* No. 12b.)

CASE 243.

Query. In clearing a wreck it is necessary to use wreck train, engine, and crew of another company. In preparing voucher,

should charge be distributed to "Hire of Equipment" and "Clearing Wrecks," or should the entire expense be charged to the last-named account? To what accounts would the bills of the company performing the service be credited?

Answer. Amounts paid for use of wreck engine, crew, and derrick of another company hired in emergency to clear a wreck should be charged to "Clearing Wrecks" by the company who pays the bill. The company furnishing the wrecking outfit should credit the amount to each primary account affected for actual service performed and credit the amount charged as rent of equipment to "Hire of Equipment."

CASE 244.

Query. What is the proper classification of expenses for "Stationery and Printing" used by outside agents, advertising department, and fast-freight lines?

Answer. Account "Stationery and Printing," under "Traffic Expenses," includes all stationery used in traffic department, except stationery used by "Industrial and Immigration Bureaus."

CASE 245.

Query. The account "Train Supplies and Expenses" in the Classification of Operating Expenses, Third Revised Issue, provides for the cost of oil, grease, waste, wool, and other supplies used in lubricating cars. The account "Roadway and Track," under the subheading "Train Service," provides for the cost of fuel, stores, and other supplies for work-train locomotives and cars. Should the oil used for lubricating work trains be charged to "Train Supplies and Expenses" or considered as a portion of the supplies mentioned under "Roadway and Track?"

Answer. Oil for lubricating work trains should be considered as a portion of the supplies mentioned in account "Roadway and Track."

CASE 246.

Query. To what revenue account or operating expense account should be credited the slight profits accruing to a carrier on bills rendered against other roads or outside individuals; that is to say, percentages added to labor, and material for superintendence, use of tools and accounting, and other items of profit, where

the charge made is somewhat in excess of the cost to the carrier rendering the bill?

Answer. Should be credited to "Operating Expenses." (See Case 262.)

CASE 247.

Query. In regard to the distinction between "Operating Joint Yards and Terminals" and "Operating Joint Tracks and Facilities," and as to whether we should include in "Joint-facilities" accounts, joint expenses of all kinds, such as interlocking plants, crossing flagmen, etc., we are now entering our July bills, and it is important that we know how these should be distributed. In this July account we will be vouchering and charging bills for joint facilities made and credited by other railroad companies prior to July. These bills will therefore not show the distribution to the "Joint-facilities" account. Will it be proper to charge such bills to the proper "Joint-facilities" account, regardless of the distribution made by the carrier rendering the bill?

Answer. Expenses that enter into accounts subsequent to July 1, 1907, on account of joint facilities of all kinds should be handled through the "Joint-facilities" accounts.

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 248.

Query. Under "Maintenance of Equipment—Superintendence" is included the words "general foreman." What is meant by this term and in what respect are they distinguished from shop foremen as shown under the clearing account "Shop Expenses," on page 56 of the Classification?

Answer. Shop foremen ordinarily means foreman of machine shop, foreman of boiler shop, foreman of blacksmith shop, and foreman of any department. General foreman is a term applicable to such foremen as have jurisdiction over the several departmental foremen known as shop foremen, where the organization is sufficiently large to require the service of a general foreman, as distinguished from a departmental foreman. Where a single foreman has charge of all shops without the assistance of departmental foremen, he should be regarded as a shop foreman.

CASE 249.

Query. Should per diem reclaims be treated as a matter of hire of equipment? If not, to what account should such per diem reclaims be charged and credited?

Answer. Reclaims should be treated the same as per diem payments and disposed of through the account, "Hire of Equipment."

CASE 250.

Query. In addition to our paying other companies a proportion of maintaining joint tracks, maintaining joint equipment, operating joint tracks, and general administration of joint tracks, we also pay a flat rent per annum. How shall we take care of such payments?

Answer. Should be charged to an appropriate rent account under "Income."

CASE 251.

Query. Should the salary of a station agent who also acts as a copy operator for dispatching trains be divided between "Dispatching Trains" and "Station Employees," or should the salary be charged entirely to "Station Employees"?

Answer. All to "Station Employees."

CASE 252.

Query. To what account under the new classification should be credited amounts received from tenants for the privilege of cutting hay along our right of way?

Answer. Operating Revenue Account No. 19, "Miscellaneous."

CASE 253.

It is suggested that the note under the account "Water for Yard Locomotives" (page 69, Classification of Operating Expenses, Third Revised Issue), also the note under the account "Water for Road Locomotives" (page 72, Classification of Operating Expenses, Third Revised Issue), reading, "The apportionment of water as between yard and road locomotives should be on the basis of the relative number of tender tanks taken," be changed to read: "The apportionment of cost of water as between yard and road locomotives should be based on the relative number of tons of coal used on locomotives in yard and road service."

Answer. The apportionment of water as between yard and road locomotives should be on the relative number of tons of coal used on locomotives in yard and road service.

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 254.

Query. To what account should compensation for use of an air-brake instruction car, the property of the International Correspondence School, and used by a railway company in the instruction of its employees in the transportation and motive power departments, be charged?

Answer. Should be disposed of in accordance with note on page 64 of the Official Classification of Operating Expenses, under "Transportation Expenses—Superintendence."

CASE 255.

Query. Matters pertaining to the land and tax departments of a certain railway company are in the hands of a land and tax commissioner of an allied company, to whom 5 per cent of his salary is paid by the former. Is such payment a proper charge to "Salaries and Expenses of General Officers"?

Answer. Yes.

CASE 256.

Query. Should "Metallic Packing," now listed in transportation expenses under "Other Supplies for Yard Locomotives" and "Other Supplies for Road Locomotives," be considered a repair in place of a supply article? That being the case, "Metallic Packing" would hereafter be listed under "Steam Locomotives—Repairs," "Electric Locomotives—Repairs."

Answer. Metallic packing is a vital part of a locomotive, and is more of the nature of repairs than supplies. It should be charged to "Steam Locomotives—Repairs" and "Electric Locomotives—Repairs," instead of to "Other Supplies for Road Locomotives" and "Other Supplies for Yard Locomotives," and the Classification of Operating Expenses is amended accordingly, effective on July 1, 1908.

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 257.

Query. Classification of Operating Expenses, Third Revised Issue, requires a debit to each account affected with apportionment of the charge, shop expense. It is claimed this ruling is in conflict with M. C. B. Rule No. 104, and the question arises if it is the intention to disregard the M. C. B. rules where they conflict with Classification of Operating Expenses, Third Revised Issue?

Answer. M. C. B. rules govern only charges of one carrier against another carrier and do not affect or govern "Operating Expenses" accounts. There is no conflict.

CASE 258.

Query. Under the heading of "Maintenance of Way and Structures" (page 40, Classification of Operating Expenses, Third Revised Issue), "Maintaining Joint Tracks, and Other Facilities," are the expenses incident to employees at stations, owned or used jointly, to be treated as a debit and credit to the similar transportation accounts?

Answer. Yes. (See Case 193.)

CASE 259.

Query. Should the amounts received for switching a private car and its occupants from one railroad to another in order to continue the movement from point of origin to destination be credited to Account No. 9, "Switching Revenue"?

Answer. Yes.

CASE 260.

Query. Should the amounts received from switching express cars from one railroad to another to continue the movement from point of origin to destination be credited to Account No. 9, "Switching Revenue"?

Answer. Yes.

CASE 261.

Query. To what account should coupons found in covers of interchangeable mileage books returned for redemption be credited?

What account should be credited with the value of coupons from mileage books which remain unpresented after the expiration of the limit of the ticket?

To what account should be credited amounts of unclaimed penalty collections on trains; also, unclaimed redeemable portions of mileage tickets and credentials?

Answer. To Account No. 8, "Other Passenger Train Revenue."

CASE 262.

Query. How should the percentage added to labor, representing the use of tools, superintendence, etc., and the percentage added to material, covering handling, transporting, and accounting, be treated—and how credited?

Answer. Should be credited to "Operating Expenses." (See Case 246.)

CASE 263.

Query. Should the revenue derived from trackage charge levied by the A & B Railway Company, incident to deliveries of live stock to C & D Stock Yards Company, such deliveries being made by connecting lines' own power, and on basis of published tariff charges, be credited to Account No. 19, "Miscellaneous," under "Revenue from Operations Other than Transportation," or should same be apportioned to "Income" account and "Joint-facilities" account, under "Maintenance of Way and Structures," "Transportation Expenses," and "General Expenses"?

Answer. Should be apportioned to appropriate rent account under "Income" and to "Joint-facilities" accounts.

CASE 264.

Query. In the Classification of Operating Expenses, Third Revised Issue, under "Work Equipment—Repairs," "Steam Locomotives—Repairs," "Passenger-Train Cars—Repairs," and "Freight-Train Cars—Repairs," is included cost of supervision. Where such repairs are made by master mechanics, general foreman, car foreman, etc., whose pay comes under "Superintendence," on page 41, what supervision would be included in the repair accounts?

Answer. Account "Superintendence" includes pay of chief car inspector and general car inspector, but not of local supervising car inspector. This latter official's duties come under the term "Supervision," named in the repair accounts quoted. Superintendence covers officials having territorial jurisdiction over sev-

eral points or several departments, and the primary accounts include local supervision and departmental supervision, as distinguished from above.

CASE 265.

Query. A railway company has arrangements for switching cars to industries and to other carrier's connections, in which the switching road is paid for the loaded haul and also for the return of the empty cars to the said railway company's line. Is the specific charge for the return movement of the empty car a proper deduction from the freight revenue as a part of the cost of effecting the delivery or charge under operating expenses to "Other Expenses"?

Answer. Charge to Revenue Account No. 1, "Freight Revenue."

CASE 266.

Under Classification of Expenditures for Road and Equipment, Account 33, "Rent of Equipment."

If rent of a pile driver used in the construction of a bridge be charged in this account, the query presents itself: How is the true cost of a bridge (on which this pile driver worked) to be determined?

Answer 1. If the pile driver is permanently mounted on a car the charge for the rent thereof should be made to Account No. 33, "Rent of Equipment" in the Classification of Expenditures for Road and Equipment, First Revised Issue. Should it be desired to divide this account into subprimary accounts so that the amount paid for hire of equipment used in constructing bridges can be ascertained, it may be done, provided that a list of such subprimary accounts be submitted to the Interstate Commerce Commission.

2. If the pile driver is not mounted on a car its rent should be charged to Account No. 6, "Bridges, Trestles, and Culverts," in the Classification of Expenditures for Road and Equipment, First Revised Issue.

CASE 267.

Query. Where a certain rate is quoted in a tariff for the carrying of sand, is the charge of 10 cents for loading the sand, which service is performed by the A & B Railroad Company or by a

contracting firm employed by the same company, a proper debit to operating expenses?

Answer. Yes; charge to "Station Employees."

CASE 268.

Query. Road A has trackage rights over the line of road B between two points, the consideration received being a toll of \$4 per loaded car, etc., which amounts have heretofore been credited to "Miscellaneous Earnings." Should such items be shown as a credit to primary account "Operating Joint Tracks and Facilities—Cr.?"

Answer. It is assumed that this payment includes the following items, and should be disposed of accordingly:

1. Maintenance, which should be disposed of to "Maintaining Joint Tracks, Yards, and Other Facilities."

2. Transportation expenses, which should be disposed of to "Operating Joint Tracks and Facilities."

3. Interest on valuation or rent, which should be disposed of to "Income" account.

It is also assumed in this answer that there is no Yard movement.

CASE 269.

Query. What account should be charged with amounts paid by a carrier for electric lights at street crossings not at stations or in yards, the object being to make the crossing more safe for the passage of traffic on the street?

Answer. To "Crossing Flagmen and Gatemen."

CASE 270.

Query. This line is a switching road entirely within the State of Pennsylvania, and with but few exceptions, and then only for a short time, its cars do not leave the line, and consequently there is no charge for per diem against other companies. We pay to other companies the regular per diem charges for use of their cars while on our lines, and being a switching road, are allowed the reclaim from connecting lines a certain amount for cars returned within the time limit fixed by them.

Are we correct in charging "Hire of Equipment" with the amount paid to other companies for use of their equipment, and

crediting "Hire of Equipment" with the amount of the reclaim received from connecting lines, and carrying the balance as a debit or credit, as the case may be, to income account?

Answer. Yes.

(CASE 271.)

Query. To what account should be charged this company's proportion of the expense of maintaining and operating the mileage exchange order bureau of a passenger association? An interchangeable mileage ticket is in use in this territory, which is honored by all railroads in the association, and the record of the use of interchangeable orders is kept by the bureau mentioned for the purpose of detecting any misuse of these orders.

Answer. To "Traffic Associations."

(CASE 272.)

Query. The X Y Z Railroad has arrangements with a number of different roads through which the entire expense of interlocking plants protecting railroad crossings, also crossings protected by manual signals, as well as stations at railroad crossings joint with other roads, in connection with which either one road or the other pays the entire expense, both of labor and supplies furnished, and bills the other road for its proportion. The tendency seems to be to throw these bills into "Joint-facilities" accounts.

My understanding of the Joint Facilities Circular was that it applied to the properties owned by one carrier, another carrier enjoying the facility, or, perhaps, operated by another carrier in connection with which it would be a proper charge to the different "Joint-facilities" accounts, but it does not seem to me that a station out in the country, or an interlocking plant covering a road crossing, comes within the "Joint-facilities" accounts. It seems to me that the proper charge is to the different primary accounts outside of "Joint-facilities" accounts. I do not see how that operating joint tracks can be considered as the proper account in connection with road crossings, the train of each road passing over the crossing on their own rails. Please advise the proper disposition of these expenses.

Answer. Should be handled through "Joint-facilities" accounts. The account "Operating Joint Tracks" is amended to read "Operating Joint Tracks and Facilities" in order to embrace items of this nature not in yards or at terminals.

The operating carrier should charge the full expense of operation and maintenance to the various operating expense primary accounts affected and should credit the proportions charged against other carriers to the appropriate "Joint-facilities" accounts in "Operating Expenses." The amount of rent (interest on valuation and proportion of taxes), if covered by settlements should be credited to "Rents" in Income Account.

The debtor carriers should charge the appropriate "Joint-facilities" accounts in "Operating Expenses" and "Rents" in Income Account. The account "Operating Joint Tracks" is amended to read "Operating Joint Tracks and Facilities" in order to embrace items of this nature not in yards or at terminals.

See Supplement effective on July 1, 1908, to the Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 273.

Query. Should amounts paid to and received from other companies for use of joint facilities, when same are based on a proportion of interest on valuation, in addition to the expense incurred in maintaining and operating such property, be included under the following accounts: "Maintaining Joint Tracks, Yards, and Other Facilities" (debit and credit); "Maintaining Joint Equipment at Terminals" (debit and credit); "Operating Joint Yards and Terminals" (debit and credit); "Operating Joint Tracks and Facilities" (debit and credit), and "General Administration Joint Tracks, Yards, and Terminals" (debit and credit)?

The note under each of the foregoing accounts shows the purpose of the account is to cover amounts accruing against or in favor of a carrier for its proportion of the expense, etc., and I am therefore unable to determine whether or not the interest on valuation is construed as an item of expense or should be carried through the "Income" account as a fixed charge.

Answer. That portion of the charge which represents interest on valuation should be handled through the appropriate rent account under "Income."

CASE 274.

Query. In connection with the subaccount "Icing and Watering Cars," under "Train Supplies and Expenses," referring to the item "Also cost of refrigeration when borne by the carrier,"

this company has considerable revenue from refrigeration charges which are collected in addition to the regular freight rates. No specific mention of this is made in the classification of revenues, but as the Classification of Operating Expenses contemplates charging to "Train Supplies and Expenses" bills of other companies for refrigeration, it occurs to me that it would be proper to credit our bills and advance charges to the same account, notwithstanding there is a profit in the business.

What disposition should be made in regard to this matter?

Answer. Should be charged or credited to "Train Supplies and Expenses."

CASE 275.

Query. What disposition should be made of bills for operating interlocking plants at crossings?

Answer. Cost of operation of interlocking plants at railroad crossings used jointly to carriers other than the operating carrier should be handled through "Joint-facilities" accounts. If located in yards or at terminals charges should be made to the account "Operating Joint Yards and Terminals." If located at points other than in yards or at terminals, charges should be made to the account "Operating Joint Tracks and Facilities." The initial expenditure made by the operating carrier should be charged to its appropriate primary accounts (other than for "Joint-facilities") in operating expenses and the proportions thereof billed against other carriers should be credited to the appropriate "Joint-facilities" accounts. See Supplement to the Third Revised Issue of the Classification of Operating Expenses, for amended text of the latter account. (*See Case 117.*)

CASE 276.

In numerous instances agents can not collect amounts charged to them by audit office corrections against freight waybills. The partial provision in the text under "Freight Revenue" accounts does not seem to fully cover all the circumstances of these cases. The same question presents itself where agents are overcharged on basis of rates, weights or classification in one year. The suggestion is made that the amounts of which agents are relieved under such circumstances should be set up in an open account on the audit office ledger in such manner that they may be fully and readily analyzed at any time; and that such account should be closed at the end of each year directly into "Income" account.

Answer. All uncollectible undercharges in carrier's proportion of "Freight Revenue" growing out of corrections on waybills should be charged to Account No. 1, "Freight Revenue," in compliance with the Classification of Operating Revenues promulgated by the Interstate Commerce Commission, and other uncollectible items on account of corrections on waybills should be charged to "Other Expenses" under "Transportation Expenses."

CASE 277.

Query. At various junctions on our line we own, maintain, and operate stations, paying total expenses in maintaining and operating such stations, rendering bills against other carriers for their proportion of cost incurred to maintain and operate such stations. Should we charge entire expenses incurred in maintaining and operating these stations to "Joint Tracks, Yards, and Other Facilities," under "Maintenance and Operation," or charge proportion of amount accruing against other carriers to "Joint Facilities" and the balance of costs, borne by us, to the detailed primary accounts outside of "Joint-facilities" accounts?

Answer. Original costs for operating joint facilities should be entered in the various primary accounts of the operating company's operating expenses, and amounts billed against other companies should be credited through the "Joint-facilities" accounts. (See Case 193.)

CASE 278.

Query. Where stations, interlockers, water stations, etc., are owned jointly by our company with other companies, should the cost of operation be charged to the various operating expense accounts or should it be treated as "Joint-facilities" accounts?

Answer. Should be charged to the various operating expense accounts of the operating carrier and the proportion billed against other carriers credited to the appropriate "Joint-facilities" accounts; other carriers debiting like "Joint-facilities" accounts.

CASE 279.

Query. To what account should the revenue on a shipment lost or destroyed in transit at a given point be charged, and what account should be charged with the unearned revenue beyond the point where the shipment was lost or destroyed?

Answer. The revenue of the road on which the loss occurs should be charged to Revenue Account No. 1, "Freight Revenue."

The amount paid to other companies for their proportion of freight charges accruing thereon should be made a charge to "Loss and Damage—Freight."

CASE 280.

Query. The A B Railway Company leases extensive terminals at F, from the X Y Steamship Company, and sublets certain wharf property to the C D Transportation Company. The property used by the C D Transportation Company was included in that leased to the A B Railway Company for the reason that the C D Company was a connection of the A B Company and its interests were closer allied to those of the A B Company than to the X Y Steamship Company, with which it interchanged no traffic. In fixing upon the amount of the rent, rental value of other property was considered, and to this was added the rent received by the X Y Steamship Company from the C D Transportation Company. For example, the value of other property to the A B Railway Company was, say, \$80,000 per year. The C D Company paid the X Y Company \$18,000 per year, and this was added to the \$80,000, making the rent paid by the A B Railway Company for the entire property \$98,000. In view of the manner of construction of the rent named in the lease, we are crediting the rent received from the C D Transportation Company, less the cost of maintenance of the property, against the rent paid to the X Y Steamship Company. Inasmuch as the rent paid is an income matter, I think that the rent received is also an income matter after reimbursing operating expenses. Is this correct?

Answer. It is correctly handled.

CASE 281.

Query. The revised issue of rules of the Master Car Builders' Association, under rules 40 and 106, covers the charges to be made for the cost of removing advertisements tacked or pasted upon cars. Should this actual expense be charged to "Train Supplies and Expenses" or to "Freight-Train Cars—Repairs," and should the bills for performing the service be credited to "Train Supplies and Expenses" or "Freight-Train Cars—Repairs"?

Answer. Charge or credit "Train Supplies and Expenses."

CASE 282.

Query. A railroad company sends out a switch engine and crew to pick up lumber lost off a freight train belonging to another company. To what account should the wages of the crew be charged and use of engine, and what accounts credited?

Answer. Should be charged to company responsible and credited to operating expense accounts originally charged. The rent of engine should be credited to account, "Hire of Equipment."

CASE 283.

Query. To what operating account should be charged the proportion of joint operation of interlockers at crossings? For example, at a point on our line another company pays the entire cost of maintaining and operating an interlocker and bills on our company for a proportion of the expense. There are no yards or other facilities.

Answer. Costs of operation of interlocking plants at such railroad crossings used jointly should be handled through "Joint-facilities" account "Operating Joint Tracks and Facilities."

See Supplement, effective on July 1, 1908, to the Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 284.

Query. We have inaugurated between A and C in connection with another line of road, designated the second party, a through passenger-train service operated over our line of road from A to B (being intermediate between A and C), and operated over the line of the second party from B to C, our company paying all expenses, billing the second party each month for their proportion based on train mileage; crediting the account "Operating Joint Yards and Terminals—Cr." Is this correct?

Answer. No; this is not a joint facility and should not be handled through the "Joint-facilities" accounts.

CASE 285.

Query. Under an agreement between the A B Railroad Company and the Y Z Railroad Company, executed before this company began operations, this company handled traffic for the A B Company, in A B cars, between certain points on this road and the

junction with the A B Railroad Company. The revenue on such traffic is entirely absorbed by the A B Company. The tracks over which this traffic is handled are owned, leased, operated, and maintained by this company. Monthly bills are rendered against the A B Railroad Company based on the cost of operation and maintenance (including taxes, etc.), as the number of cars, empty and loaded, handled for the A B Company bears to the whole number of cars, empty and loaded, handled over the tracks as prescribed in the agreement. What accounts should be credited with the amounts of such bills?

Answer. 1. Maintenance charges should be handled through "Maintaining Joint Tracks, Yards, and Other Facilities—Cr."

2. Operating charges should be handled through "Operating Joint Tracks and Facilities—Cr." (for tracks), and "Operating Joint Yards and Terminals—Cr." (for terminals).

3. Administration charges should be handled through "General Administration Joint Tracks, Yards, and Other Facilities—Cr."

4. Charges representing interest on valuation and taxes should be handled through the appropriate rent account under "Income."

CASE 286.

Query. Passenger trains, including crews, owned by this company, operating under through schedules, run over about nine miles of tracks, owned and maintained by the A B Railroad Company. The entire expense of the crew is paid for by this company. The entire earnings of the train while on the A B Railroad tracks are absorbed by the A B Railroad Company. This company bills against the A B Railroad Company for a proportion of actual expense of the train and crew, based on the mileage while on this company's tracks, against the mileage while on the A B Railroad tracks. What accounts should be credited with the amounts of bills so rendered?

Answer. Not a joint facility; credit appropriate primary accounts under "Transportation Expenses."

CASE 287.

Query. To what account should be charged a railway's proportion of expenses of an association to protect the various railroads in litigation regarding patents upon mercantile devices used in the operation of locomotives or cars, the expenses of which

are borne in proportion to the gross earnings of the companies composing the associations?

Answer. "Law Expenses" under "General Expenses."

CASE 288.

Query. To what account should be charged rents paid to other companies for use of their stalls for housing our locomotives?

Answer. To "Enginehouse Expenses—Yard" or "Enginehouse Expenses—Road," as the case may be.

CASE 289.

Query. We pay the Y Z Company a specified amount per month for the use of a portion of their yards and tracks, and for another portion on the basis of the number of cars handled over such tracks. We pay all the expenses of maintaining the tracks, but they pay the taxes. Since the amount paid the Y Z Company is for rent, should not the same be debited by us to "Miscellaneous Income—Rent of Property"?

Answer. Charge to appropriate rent account under "Income."

CASE 290.

Query. We collect from the X Y Company for use of tracks at G a monthly rent. This track is used by the X Y Company for an outlet for their freight trains through our yard at G. To what account should this rent be credited?

Answer. Should be handled through the appropriate "Joint-facilities" accounts in "Operating Expenses" and "Income." That portion of the charge which represents interest on valuation and taxes should be credited to Rents in "Income" and that which is for maintenance and operation to the appropriate "Joint-facilities" accounts in "Operating Expenses." (See Case 272.)

CASE 291.

Query. We collect from a certain Union Station Company for rent of tracks in G from and to certain streets, same being about 600 feet in length, a monthly rent. This track is used by lines entering the Union Station at G. To what account should this rent be credited?

Answer. See Case 290.

CASE 292.

Query. We collect from a Union Station Company for rent of land in G a monthly rent, said land being covered by a part of the structure of the Union Station Terminal at G. To what account should this rent be credited?

Answer. To the appropriate rent account under "Income."

CASE 293.

Query. We collect from a party for rent of side track an annual rent. To what account should this rent be credited?

Answer. The inquiry implies that this side track is rented by a private individual, not a carrier, in which case the rent should be credited to Revenue Account No. 18, "Rents of Buildings and Other Property."

CASE 294.

Query. We pay to the A B Railway Company for rent of G terminal tracks a monthly rent, said track being used for transferring freight to the A B Railway Company in G. To what account should this amount be charged?

Answer. Should be handled through the appropriate "Joint-facilities" accounts in "Operating Expenses" and "Income." That portion representing interest on valuation and taxes should be charged to Rents in "Income" account and that which is for maintenance and operation to the appropriate "Joint-facilities" accounts in "Operating Expenses." (See Case 272.)

CASE 295.

Query. We pay to the X Y Railway Company for rent of 4 miles of main-line track at F a monthly rent, said track being used jointly by the X Y Company and our company on freight and passenger business in and out of F. The expense of maintaining said track is paid by the X Y Railway Company. To what account should this amount be charged?

Answer. 1. Maintenance expense should be charged to "Maintaining Joint Tracks, Yards, and Other Facilities—Dr."

2. Operation expense should be charged to "Operating Joint Tracks and Facilities—Dr."

3. Administration expense should be charged to "General Administration Joint Tracks, Yards, and Other Facilities—Dr."

4. Charges representing interest on valuation and taxes should be charged to Rents in "Income" account.

It is assumed in the answer that there is no yard expense in connection with the traffic in and out of F.

CASE 296.

Query. At various terminals on our railroad we rent to outside parties certain lands and buildings that have no connection with the operations of the road. To what account should these be credited?

Answer. To appropriate rent account under "Income."

CASE 297.

(Answer not finally approved. See *Accounting Series Circular No. 12b.*)

CASE 298.

Query. What account should be charged with payments made to detective agencies for special services to railroad companies?

Answer. Payments for detecting thieves are provided for under "Loss and Damage—Freight," but all detective service is not of this nature. The nature of the service should determine the charge and its disposition should be to the account to which it is analogous.

CASE 299.

Query. Through what account should collections and refunds on account of switch keys be carried?

Answer. The classification is revised, effective on July 1, 1908, so that "Switch Keys" may be charged to "Roadway Tools and Supplies," "Station Supplies and Expenses," "Yard Supplies and Expenses," "Other Supplies for Yard Locomotives," "Other Supplies for Road Locomotives," and "Train Supplies and Expenses," instead of to "Other Track Material," as formerly provided for.

See *Supplement, effective on July 1, 1908, to the Classification of Operating Expenses for Steam Roads, Third Revised Issue.*

CASE 300.

Query. I do not find that the Classification of Operating Expenses provides for payments to elevator companies for transferring grain, en route, from one car to another. We have charged this expense in our accounts to "Station Supplies and Expenses," as this account, in my opinion, should include this expense. Is the disposition of the matter as suggested above proper?

Answer. Should be charged to "Station Employees."

CASE 301.

Query. The railroad companies who are members of a railway clearing house, the purpose of which is to secure the proper distribution and use of freight-car equipment, are charged with expenses in connection with that association. To what accounts should these payments be charged by the railroad companies?

Answer. To "Weighing and Car-Service Associations."

CASE 302.

Query. This company keeps a separate or independent fund from which pensions are disbursed. A certain amount per month, making an annual total twelve times as great, is appropriated through the income account and credited directly to an open account, which is closed annually when the amount is paid over. The pension fund is invested in interest-bearing securities. Whenever pensions are paid the amounts are debited to an open account and about every quarter collected from the trustee of the fund. There are no expenses for administration or otherwise in connection therewith. Does the account "General Expenses—Pensions" apply?

Answer. Amounts paid as pensions are chargeable to "General Expenses—Pensions." (See Case 208.)

CASE 303.

Query. At a certain point the A B Railroad crosses the Y Z Terminal Transfer Railroad, and neither company makes joint use of the other company's tracks. The A B Company maintains and operates the interlocker and bills the other company for one-half of the expense. The Y Z Company has taken the stand on this matter and many other similar crossings that the interlocker

expense was not a joint-facility item between their company and the railroad that it crosses, but that it should be treated as though each company had its own set of employees and devices for protecting the crossing. It has been considered further by the Y Z Company that their proportion of the expense of such interlockers was a joint-facility item only as between their company and its tenants. What ruling should apply?

Answer. See Case 272.

CASE 304.

Query. We recently paid a personal injury claim brought on account of defective highway within the location lines of this company. The parties to whom amount of this claim was paid were not employees of this company, nor passengers; neither were they engaged in any work in connection with the railroad. To what account should be charged the amount so paid?

Answer. To "Injuries to Persons," under "Maintenance of Way and Structures."

CASE 305.

Query. A railroad pays a municipal corporation a fixed amount per annum, which covers fire protection, which consists of the corporation laying water pipes and placing fixtures and supplying water pressure at all times. Should this be charged to "Buildings, Fixtures, etc.," or not?

Answer. Should be charged to "Buildings, Fixtures, and Grounds," under "Maintenance of Way and Structures," if in connection with buildings alone. If for protection of other property, should be charged to appropriate maintenance accounts according to nature of property protected.

CASE 306.

Query. We rent a certain piece of land and build upon it our own depot. To what account should the rent be charged?

Answer. To appropriate rent account under "Income."

CASE 307.

Query. We have leased a certain tract of land to prevent a street from crossing our track at grade, this property not being used for any purpose except a side track on same and used as a blind. To what account should the rent be charged?

Answer. To appropriate rent account under "Income."

CASE 308.

Query. The A & B road is joint owner with the C & D road of a side track jointly used, and the maintenance is borne by the two companies in the ratio of ownership. Each company takes up in its primary accounts its share of the maintenance charges on the theory that in reality such proportions are respectively merely the maintenance of the property of each. The A & B road for convenience pays the full cost of maintenance, charges its primary accounts, and credits the C & D proportion when billed out to the same accounts. Is this correct?

Answer. No. Should be treated as a joint facility. The A & B road should charge its primary accounts with full cost of maintenance and should credit the proportion billed against the C & D road to "Maintaining Joint Tracks, Yards, and other Facilities—Cr." The C & D road in paying these bills should charge "Maintaining Joint Tracks, Yards and Other Facilities—Dr." The question of ownership should not bear upon the proper disposition of accounts for jointly used properties. The fact of such joint use should determine their treatment in the accounts as Joint Facilities. The road maintaining and operating should be the one to charge the full cost of such work to its primary accounts.

CASE 309.

It is recommended that an account "Injuries to Persons" be provided under the Classification of Road and Equipment Accounts, which account shall include the expenses incident to the construction of a new line which may properly be classed under this account.

Answer. Such an account is raised.

See Supplement, effective on July 1, 1908, to Classification of Expenditures for Road and Equipment, First Revised Issue.

CASE 310.

It seems to us that if it is correct and practicable (and we think so) to charge witness fees to the various accounts covering damage to property, it is equally so in the case of personal injuries, and that witness fees in connection with personal injury suits should be charged to the various personal injury accounts, rather than to "Law Expenses."

Answer. Payments to and expenses of employees and others engaged as witnesses in personal injury cases should be charged to the "Injuries to Persons" accounts under the proper general accounts and the texts under the several "Injuries to Persons" accounts are amplified in accordance with the foregoing.

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 311.

It appears no provision has been made in the present Classification to take care of maintenance of machinery in bridges and building departments—carpenter shops.

Answer. The text of "Maintenance of Equipment" account "Shop Machinery and Tools" is so amplified as to provide for the maintenance of machinery in shops of the bridges and buildings department so as to include all machinery tools.

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 312.

The question is raised regarding the expenses of joint interlockers located at outlying points, and on stretches of joint tracks.

Answer. See case 272.

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 313.

What account should be charged with the expense of draping stations along the line of the road? This expense has been charged to "General Expenses—Other Expenses," as we do not believe that "Transportation Expenses—Station Supplies and Expenses," is proper.

Answer. To "Other Expenses—General Expenses."

Accounting Bulletin No. 2

DECISIONS UPON QUESTIONS

RAISED UNDER

CLASSIFICATIONS

PRESCRIBED BY

**THE INTERSTATE COMMERCE
COMMISSION**

FOR ELECTRIC RAILWAYS

IN ACCORDANCE WITH

SECTION 20 OF THE ACT TO REGULATE COMMERCE

Effective on September 1, 1909

**WASHINGTON
GOVERNMENT PRINTING OFFICE**

1909

THE INTERSTATE COMMERCE COMMISSION.

MARTIN A. KNAPP, *of New York.*

JUDSON C. CLEMENTS, *of Georgia.*

CHARLES A. PROUTY, *of Vermont.*

FRANCIS M. COCKRELL, *of Missouri.*

FRANKLIN K. LANE, *of California.*

EDGAR E. CLARK, *of Iowa.*

JAMES S. HARLAN, *of Illinois.*

EDWARD A. MOSELEY, *Secretary.*

INTRODUCTORY LETTER.

INTERSTATE COMMERCE COMMISSION,
BUREAU OF STATISTICS AND ACCOUNTS,
Washington, August 16, 1909.

TO CARRIERS CONCERNED:

This bulletin, entitled "Accounting Bulletin No. 2," contains the final answers to a series of questions submitted to the Bureau of Statistics and Accounts in relation to the accounting classifications, prescribed by the Commission for electric railway companies, that became effective on January 1, 1909. The cases selected are regarded as important for the reason that they make clear the meaning or application of the text descriptive of the primary accounts covered by the Classification of Operating Expenses, the Classification of Operating Revenues, and the Classification of Expenditures for Road and Equipment of Electric Railways.

As a matter of information it may be proper to state that the answers to questions recorded in this bulletin have received the approval of the Committee on Standard Classification of Accounts, of the American Street and Interurban Railway Accountants' Association.

HENRY C. ADAMS,
In charge of Statistics and Accounts.

INTERSTATE COMMERCE COMMISSION ACCOUNTING BULLETIN NO. 2.

QUESTIONS AND DECISIONS.

CASE 1.

Query. Is it permissible for electric carriers to renumber the primary accounts of the various classifications for their own convenience, provided the Interstate Commerce Commission numbers are maintained for proper reference and report?

Answer. It is permissible for electric carriers to renumber the primary accounts of the various classifications for their own convenience. For the sake of uniformity, however, it is recommended that the account numbers mentioned in the classifications be used. It is suggested that companies of Class B and Class C, in numbering their operating expense accounts, combine the numbers used in the text of the Classification of Operating Expenses of Electric Railways; for example, the text for the account "Maintenance of Roadway and Track" for companies of Class B is covered by accounts 2 to 12, inclusive, and the suggested number would be 2/12; the text for account "Maintenance of Way" for companies of Class C is covered by accounts 2 to 19, inclusive, and the suggested number would be 2/19, etc.

CASE 2.

Query. Is it proper to charge assessments for construction and maintenance of paving to "Taxes" under "Deductions from Income?"

Answer. No. Account No. 10, "Paving," in the Classification of Expenditures for Road and Equipment of Electric Railways, provides for paving incident to original track construction, while account No. 9, "Paving," in the Classification of Operating Expenses of Electric Railways, covers repairs and renewals of such paving.

CASE 3.

Query. Is a Class C or a Class B road permitted to use the classification of accounts prescribed for carriers of a higher class?

Answer. Electric carriers whose revenues place them in Class C or Class B of the Classification of Operating Expenses prescribed by the Interstate Commerce Commission may, if they so desire, keep their accounts under the more extended classification provided for carriers of a higher class.

CASE 4.

Query. To what account should be charged the wages of billing clerks and cashiers in express offices operated by an electric carrier?

Answer. To operating expense account No. 64, "Station Employees."

CASE 5.

Query. Are carriers required to keep subaccounts for paragraphs (a) to (f) under account No. 23, "Distribution System," and (a) to (i) under account No. 25, "Buildings and Structures," of the Classification of Operating Expenses of Electric Railways; or will it be satisfactory to show the cost in total under such primary accounts?

Answer. The Interstate Commerce Commission does not require the subdivision of account No. 23, "Distribution System," or account No. 25, "Buildings and Structures;" but any carrier desiring to do so may make subdivisions, provided a list of the subprimary accounts be first filed with the Commission.

CASE 6.

Query. To what account should an electric carrier charge wages of employees and cost of repairs, fuel, water, lubricants, and waste, incident to the operation of a steam locomotive and of gasoline and steam motor cars, used regularly as rail equipment?

Answer. If the equipment enumerated is used in revenue service, the wages of employees should be charged to operating expense account No. 60, "Passenger Conductors, Motormen, and Trainmen," or account No. 61, "Freight and Express Conductors, Motormen, and Trainmen."

The cost of repairs to the steam locomotive, and to the locomotive features of gasoline and steam motor cars should be charged to account No. 34, "Locomotives," and the cost of repairs to the car features of the motor cars should be charged to account No. 32, "Passenger and Combination Cars," or account No. 33, "Freight, Express, and Mail Cars."

The cost of fuel should be charged to account No. 51, "Fuel for Power;" the cost of water to account No. 52, "Water for Power;" the cost of lubricants to account No. 53, "Lubricants for Power;" and the cost of waste to account No. 54, "Miscellaneous Power-Plant Supplies and Expenses."

If the steam locomotive and the motor cars are used in nonrevenue service, the expenses should be handled in the same manner as those for "Service Cars."

CASE 7.

Query. To what account should be charged the cost of repairs and renewals of electric car heaters?

Answer. The cost of repairs and renewals of electric car heaters, including wiring for same, should be charged to operating expense account No. 32, "Passenger and Combination Cars," or account No. 33, "Freight, Express, and Mail Cars." (See Case 9.)

CASE 8.

Query. Should electric railways observe the Classification of Revenues and Expenses for Outside Operations of Steam Roads in handling similar matters?

Answer. No classification of revenues and expenses for outside operations has been prescribed for electric railways.

CASE 9.

Query. Should motors for air governors and pumps on cars be regarded as part of the electrical equipment, and the cost of repairs and renewals thereof be charged to account No. 36, "Electric Equipment of Cars?"

Answer. No. Electrical equipment of cars includes the electric motive equipment and wiring. The term "car" includes the car body and trucks, electric bells and wiring, electric heaters and wiring, electric lighting and wiring, and air-brake equipment and wiring. Motors for air governors and pumps on cars should, therefore, be charged either to operating expense account No. 32, "Passenger and Combination Cars," account No. 33, "Freight, Express, and Mail Cars," account No. 34, "Locomotives," or account No. 35, "Service Cars." (See Case 7.)

CASE 10.

Query. Are electric carriers at liberty to open a clearing account for store expenses and apportion same on a basis of material issued? If so, should only the amount chargeable to operating expenses be charged to account No. 85, "Store Expenses," and so reported to the Commission, or should this account also include expenses incurred in connection with material issued for construction and betterments?

Answer. Electric railway carriers are at liberty to open a clearing account for store expenses and apportion the amounts charged thereto.

The total amount chargeable to operating expenses should be charged to account No. 85, "Store Expenses."

Account No. 85 should not include expenses incurred primarily in connection with material issued for construction and additions and betterments. Carriers are at liberty to distribute for their own purposes items covered by this account to other operating expense accounts affected, but in their reports to the Interstate Commerce Commission the entire charge for store expenses chargeable to operating expenses should be reported under account No. 85.

CASE 11.

Query. Please explain the various accounts "Other Operations—Dr. and Cr.," contained in the Classification of Operating Expenses of Electric Railways, particularly the paragraphs entitled "Coordinate Departments."

In connection with these accounts, our understanding of account No. 56, "Power Purchased," is that it should show the total amount expended for this purpose, and that the amounts used for lighting shops, carhouses, etc., should be charged to accounts affected and an offsetting credit made to account No. 59, "Other Operations—Cr." Is this correct?

Answer. The accounts "Other Operations—Dr., Coordinate Departments," and "Other Operations—Cr., Coordinate Departments," are to be used by electric railways which engage in other lines of business, such as the production of light and power for sale. In case the cost of producing power is carried in the primary accounts of the light department, the proportion of operating expenses chargeable to the railway department should be charged to the various "Other Operations—Dr." accounts. In case the cost of producing power is carried in the primary accounts of the railway department, the proportion of operating expenses chargeable to the light or other departments should be credited to the various "Other Operations—Cr." accounts.

Account No. 56, "Power Purchased," covers the cost of power purchased from other companies primarily for the propulsion of cars, and account No. 59, "Other Operations—Cr.," should not be used in connection therewith, unless a portion of the power purchased is used by another Coordinate Department, such as Electric Light, Heat, Power, or Gas, within the same company.

CASE 12.

Query. To what operating expense or other account should be charged rents paid for Ohmer Fare Registers used on electric cars?

Answer. To operating expense account No. 63, "Miscellaneous Car-Service Expenses."

CASE 13.

Query. To what account should be charged rent paid for land on which is located a carhouse used as a regular operating carhouse?

Answer. To operating expense account No. 67, "Carhouse Expenses."

CASE 14.

Query. Account No. 63, "Miscellaneous Car-Service Expenses," provides for the cost of tickets, transfers, and baggage checks. Should not the cost of all stationery, such as rate sheets, waybills, bills of lading, etc., used in connection with the operation of passenger, express, or freight cars be charged to this account?

Answer. No. Charge to account No. 84, "Stationery and Printing." Carriers are at liberty to distribute the items covered by the undistributed accounts in the Classification of Operating Expenses of Electric Railways, but all reports to the Commission should agree with the accounts which are prescribed. (See Cases 18 and 23.)

CASE 15.

Query. Account No. 44, "Miscellaneous," in the Classification of Expenditures for Road and Equipment of Electric Railways covers, among other things, "the cost of printing certificates of stocks and bonds, with payments to trustees and expenses incurred in the disposal of securities." Will it be correct to charge to this account expenses of this nature when they relate to the issuance of bonds by an operating electric railway company for construction and additions and betterments?

Answer. Yes.

CASE 16.

Query. Please explain account No. 77, "Relief Department Expenses." Also please advise to what account should be charged an employee's wages when paid while he is suffering from an injury and is not able to work.

Answer. Account No. 77, "Relief Department Expenses," is intended to cover cost of operation of and contributions to a relief department or association. Wages paid to an employee while he is suffering from an injury should be charged to account No. 82, "Injuries and Damages," if the injury occurred while the employee was on duty or if the company was responsible. Voluntary contributions made to

employees or families of employees on account of sickness or other inability to perform their duties should be charged to account No. 79, "Miscellaneous General Expenses."

CASE 17.

Query. We have installed in our different carhouses some large storage tanks for compressed air. The compressed air is used in filling air tanks on cars for the operation of brakes. To what account should we charge the maintenance and operation of said tanks?

Answer. The cost of maintenance should be charged to account No. 38, "Shop Machinery and Tools," and the cost of operation to account No. 63, "Miscellaneous Car-Service Expenses."

CASE 18.

Query. To what account should be charged the cost of printing expense bills, balance sheets, and other stationery used in the handling of express and freight business incident to the operation of an electric railway?

To what account should be charged printing and stationery used by clerks whose salaries are charged to account No. 1, "Superintendence of Way and Structures;" account No. 29, "Superintendence of Equipment," and account No. 48, "Superintendence of Transportation?"

Answer. The cost of expense bills, balance sheets, and other stationery should be charged to account No. 84, "Stationery and Printing." By referring to the note under "Undistributed Accounts," on page 45 of the Classification of Operating Expenses of Electric Railways, it will be found that carriers are at liberty to distribute items covered by accounts Nos. 82 to 88, inclusive, but that all reports to the Commission must agree with the accounts which are prescribed.

The cost of stationery and printing used by clerks whose salaries are charged to accounts Nos. 1, 29, and 48 should be charged to account No. 84. (*See Cases 14 and 23.*)

CASE 19.

Query. We have on our lines foreign cars on which we pay a per diem charge. To what account should an expense of this nature be charged? To what account should be charged the maintenance of such cars while on our tracks?

Answer. Per diem on foreign cars should be charged to account No. 88, "Rent of Equipment," and the maintenance of such cars while on your tracks to account No. 32, "Passenger and Combination Cars;"

account No. 33, "Freight, Express, and Mail Cars;" account No. 35, "Service Cars;" or account No. 36, "Electric Equipment of Cars."

CASE 20.

Query. We have electric cars equipped and used as pile driver, steam shovel, concrete mixer, and stone crusher. To what accounts should be charged the maintenance of these cars and the machinery?

Answer. The maintenance of such cars and machinery should be charged to account No. 35, "Service Cars," or account No. 36, "Electric Equipment of Cars," except when the cars are used on work not chargeable to operating expenses.

CASE 21.

Query. To what account should be charged the wages of clerks in carhouses whose duty it is to furnish motormen and conductors with their tickets and supplies, and to receive from conductors their daily remittances and arrange same before sending to the general office?

Answer. To operating expense account No. 48, "Superintendence of Transportation."

CASE 22.

Query. To what account should an electric carrier charge commissions and wages paid for the sale of school and other tickets at various stores along the line?

Answer. If the tickets are sold at stores which can be considered stations, charge commissions and wages paid to account No. 64, "Station Employees;" if the stores can not be considered stations, charge to account No. 45, "Superintendence and Solicitation."

CASE 23.

Query. To what account should be charged the cost of printing and furnishing reports made by conductors each day (trip sheets) and short-age notices?

Answer. To operating expense account No. 84, "Stationery and Printing." (See Cases 14 and 18.)

CASE 24.

Query. To what account should be charged the salary and expenses of a supervising engineer in charge of the construction of a new line and buildings, and the installation of machinery in power plants? It is

not clear to us whether these expenses should be charged to account No. 1, "Engineering and Superintendence," or charged directly to the account for which incurred, in accordance with Note B.

Answer. If the engineer in question has direct supervision over all of the work in connection with the construction of a new line, it will probably not be possible to apportion his salary and expenses among the various construction accounts, and charges should, therefore, be made to account No. 1, "Engineering and Superintendence," in the Classification of Expenditures for Road and Equipment of Electric Railways.

Note B, under account No. 1, provides that, whenever it is possible, the expenses enumerated should be charged directly to the account for which incurred, as for example, power-plant buildings, or shops and carhouses. However, it is not the intention to insist upon any unnecessary refinement in accounting for such matters.

CASE 25.

Query. Should all the ties, rails, rail fastenings, and joints used in connection with cross-overs, curves, and turn-outs be charged to account No. 8, "Special Work," in the Classification of Expenditures for Road and Equipment of Electric Railways? What is meant by the term "curves," as specified in said account?

Answer. Account No. 8, "Special Work," is not intended to cover the cost of ties, rails, rail fastenings, and joints. These items should be charged to accounts provided for such expenditures. The terms "cross-overs," "curves," and "turn-outs" cover only those portions of track which are made to order.

Ordinary curves should be treated as "rails," and other curves as "Special Work."

CASE 26.

Query. What instructions, if any, have been issued by the Interstate Commerce Commission covering the treatment of amounts expended by electric railways for betterments and improvements?

Answer. The Commission has issued no instructions to electric railways relative to additions and betterments expenditures. Until advised to the contrary, it will only be necessary for such carriers to dispose of expenditures of this nature in accordance with the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 27.

Query. Will a company using the standard system of electric railway accounting recommended by the Street Railway Accountants' Associa-

tion of America be required to adopt the Classifications of Operating Revenues and Operating Expenses of Electric Railways as prescribed by the Interstate Commerce Commission?

Answer. If a company engages in the interstate transportation of persons or property, it should keep its accounts in accordance with the classifications of the Interstate Commerce Commission effective on January 1, 1909.

CASE 28.

Query. To what account should be charged the cost of cleaning the conduit under tracks and removing dirt and trash of various kinds which collects therein on roads operated by the underground conduit system?

Answer. This is a feature of maintenance, and is properly chargeable to operating expense account No. 11, "Cleaning and Sanding Tracks."

CASE 29.

Query. We note that the accounts "Interest, Discount, and Exchange" and "Taxes," heretofore carried by many companies in their general expense, have been dropped from the classification of the Interstate Commerce Commission. Please advise as to the manner in which they should be handled.

Answer. Interest, discount, exchange, and taxes, when arising in connection with operations, should be handled through the Income Account. Interest in connection with expenditures for road and equipment should be handled through primary account No. 41, "Interest," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 30.

Query. This company's tower wagon is frequently used in connection with the construction of electric lines along new tracks, and it has been our custom to credit to "Stable Expenses" the cost of the service. Is this correct?

Answer. The expenses of repair or tower wagons which are frequently used in construction work should be apportioned between maintenance and construction accounts in accordance with the use to which they are put. If expenses properly chargeable to construction have been included in account No. 40, "Horses and Vehicles," and account No. 86, "Stable Expenses," these accounts should receive proper credit.

CASE 31.

Query. A railway company's shop performs services properly chargeable to various construction accounts and to other companies and persons. To what account should be credited the department expense added to the cost of labor and material to cover a portion of miscellaneous shop and storeroom expenses?

Answer. It should be credited to the proper accounts under Operating Expenses.

CASE 32.

Query. To what accounts should the following charges be made?

1. Rents paid to private firms or individuals for the right to operate over private property.
2. Rent for land on which pole-line right of way for high-tension lines is located.
3. Amounts paid to municipalities for the right to operate cars over and across streets.
4. Amounts paid to boards of public works, county officers, etc., for the right to operate cars on and across public highways.

Answer. 1. Charge to account No. 19, "Other Miscellaneous Way Expenses."

2. Charge to account No. 24, "Miscellaneous Electric Line Expenses."

3 and 4. Charge to "Taxes" under "Deductions from Income."

CASE 33.

Query. To what account or accounts should be credited charges made against operation and construction accounts for electricity furnished by an electric railway company for the use of its shop motors, carhouse lighting, running of construction cars engaged in company service, such as building new tracks, etc.?

Answer. The Classification of Operating Expenses of Electric Railways does not require a segregation of the cost of power to shops, carhouses, etc. The last paragraph on page 7 of the Classification provides that any carrier may "keep any temporary or experimental accounts, the purpose of which is to develop the efficiency of operations: *Provided, however,* That such temporary or experimental accounts shall not impair the integrity of any general or primary account hereby prescribed; and that any such temporary or experimental accounts shall be open to inspection by the Commission." It is therefore permissible for any carrier to ascertain for its own information the cost of power used at shops or carhouses.

The Classification of Operating Expenses of Electric Railways does not contemplate that any distribution shall be made to maintenance accounts for electricity furnished by an electric railway for the use of its shop motors, carhouse lighting, or running of work cars engaged in maintenance.

The actual cost of operating work cars for construction purposes, such as building new tracks, etc., is properly chargeable to construction accounts, and proper credit may be given to revenue account No. 16, "Rents of Equipment," and revenue account No. 18, "Power."

CASE 34.

Query. A large percentage of the purchases made by the Purchasing Department of this company are for construction and betterment purposes. Would it be permissible to charge to the appropriate construction and betterment accounts such a proportion of the salaries and expenses of that department as would fairly represent the expense of the purchases made primarily for such construction and betterments?

Answer. The Classification of Operating Expenses of Electric Railways is intended to cover operating expenses only, and it is proper to charge to the appropriate construction and betterment accounts such a proportion of the salaries and expenses of purchasing agents and assistants as would fairly represent the expense of the purchases made for such construction and betterments. In the consideration of this question account No. 85, "Store Expenses," should not be overlooked.

CASE 35.

Query. What is meant by "Undistributed Accounts" in the Classification of Operating Expenses of Electric Railways?

Answer. Undistributed accounts are those which contain expenses properly chargeable to more than one of the five general accounts under Operating Expenses. For example, there are injuries which, from a strict accounting standpoint, should be charged under "Way and Structures," "Equipment," etc. There are various difficulties in distributing these expenses among the various general accounts and the Commission is willing that all expenses for injuries should be carried in account No. 82, "Injuries and Damages," under general account "General and Miscellaneous."

CASE 36.

Query. A carrier conducting a railway, lighting, and power business carries its general accounts in the lighting and power department. A

monthly charge for power is made to the street railway department and to the lighting department. Are the monthly charges for power to the lighting and street railway departments satisfactory and is a single balance sheet for the entire business permissible?

Answer. Each carrier conducting a railway, lighting, and power business is at liberty to decide for itself under which department the primary operating expense accounts shall be carried, and should decide upon the basis of division of expenses among the various departments. If the expenses are carried under the lighting and power department, it will be necessary to show on the books of the railway department under accounts Nos. 27, 43, 58, and 80, "Other Operations—Dr.," the proportions chargeable to the railway department under "Way and Structures," "Equipment," "Conducting Transportation," and "General and Miscellaneous." The amounts charged to the railway department should be handled in the books of the lighting and power department through such accounts as "Other Operations—Cr."

The Commission has not prescribed a classification of revenues and expenses for outside operations for electric railways.

One balance sheet is all that is necessary for the entire business described in this query.

CASE 37.

Query. To what account should be charged payments made to the Government, on the basis of a specific charge per passenger, for the privilege of operating cars over its bridge?

Answer. Charge to "Taxes."

CASE 38.

Query. What disposition should be made of custom labor or labor of employees in various departments on work entirely outside of railway operation, for which the railroad is reimbursed the wages of the employees, together with the profit on same and the general shop expenses? What disposition should be made of profits on new material sold to some outside concern from storeroom stock which has been handled in Sales Account?

Answer. Assuming that the amount involved in "Custom Labor" account is small, and that the expenses have been charged to operating accounts, items covering labor performed for outside parties, together with the percentage added for profit and general shop expenses, should be debited to "Accounts Receivable" and credited to the operating expense accounts originally charged.

The net revenue from the "Sales Account" should be handled as Miscellaneous Income.

CASE 39.

Query. To what account should be charged the cost of new structures and general improvements in a free private park and the maintenance expenses of such park?

Answer. The cost of new structures and improvements of a substantial character in a free private park should be charged to account No. 33, "Park and Resort Property," in the Classification of Expenditures for Road and Equipment of Electric Railways.

Maintenance expenses of such park should be charged to operating expense account No. 46, "Advertising."

CASE 40.

Query. Should the expense of sprinkling streets be charged to the same account as sanding and cleaning track?

Answer. The cost of sprinkling roadway and track, when not done directly in connection with construction or repairs of track or paving, should be charged to operating expense account No. 11, "Cleaning and Sanding Tracks." The cost of sprinkling rendered necessary by construction or repairs of track or paving should be charged to the proper construction or maintenance account.

CASE 41.

Query. A company, organized for purely local street railway business and having no electric lighting or gas department and no joint arrangement with any other company in the operation of cars, requests information as to the manner in which the accounts in various parts of the Classification of Operating Expenses, "Other Operations—Dr." and "Other Operations—Cr.," would enter into its records.

Answer. From the foregoing statement it is evident that the company in question will not require the accounts "Other Operations—Dr." and "Other Operations—Cr." It is not expected that a carrier will keep any accounts on its books for which it has no need.

CASE 42.

Query. The A and B Light and Traction Company operates gas, electric light, and street railway properties. The operating expenses of the three coordinate departments are kept entirely separate, except the general expenses, consisting of clerical salaries, rent, taxes, and

office supplies. Will it be satisfactory to the Commission for us to continue carrying expenses of this character in one account covering all departments, and so state the fact in our annual report?

Answer. Where a company operates both a railway department and a lighting department, the entire cost of producing power should be carried in the primary accounts either of the railway department or of the lighting department, and the amounts chargeable to the other department should be handled through the various accounts, "Other Operations—Dr." and "Other Operations—Cr." For example, if the cost of power is carried in the primary accounts of the railway department, the proportion of operating expenses chargeable to the lighting department should be credited to the various "Other Operations—Cr." accounts. In the case cited, the proportion of "General Expenses" chargeable to the lighting department would appear as a credit under account No. 81, "Other Operations—Cr."

Taxes need not be subdivided between the railway and lighting departments. Taxes should be treated through the Income Account.

CASE 43.

Query. We are charging to account No. 56, "Power Purchased," the actual cost of electric current generated at our plant (gas, electric light, and street railway property) consumed by the railway department. Is this correct?

Answer. The practice above outlined is not in accordance with the requirements of the Classification of Operating Expenses of Electric Railways. Account No. 56, "Power Purchased," is provided for expenditures for power purchased from other companies. (*See Case 42.*)

CASE 44.

Query. To what account should be credited the amount received from the sale of manure removed from stables?

Answer. To operating expense account No. 86, "Stable Expenses."

CASE 45.

Query. This company operates a sprinkling car for the purpose of sprinkling certain streets and highways on which our track is laid. The city in which this service is performed pays us, as its proportion of the cost of this service, from 15 to 20 cents per sprinkler car-mile run. Please advise to what accounts the corresponding debits and credits should be made.

Answer. The amount received from the city should be credited to revenue account No. 9, "Miscellaneous Transportation Revenue."

In case the service mentioned is performed primarily as a service for the benefit of the road, and the amount received from the city is only incidental, the expense of operating the sprinkling car should be charged to operating expense account No. 11, "Cleaning and Sanding Tracks," and the cost of maintenance and repairs to account No. 35, "Service Cars." If, however, the service rendered is primarily for revenue purposes, the operating expenses should be charged to the appropriate operating expense accounts, as in any other revenue movements.

CASE 46.

Query. Is there not a conflict between account No. 10, "Paving," and account No. 16, "Crossings, Fences, Cattle Guards, and Signs," in the Classification of Expenditures for Road and Equipment of Electric Railways, so far as they refer to "labor and material on cross walks?"

Answer. There is no conflict between the accounts mentioned. Account No. 10 embraces the expense of labor and material used in cross walks constructed in connection with paving on streets along which the electric road extends; while account No. 16 covers street and road crossings at other points, where it may be necessary to construct entirely new crossings or to provide crossings of an improved character over those previously existing.

CASE 47.

Query. To what operating expense account should be charged the cost of labor and material used in connection with the repair of overhead contacts installed in the trolley wire, and of wires leading from the trolley to magnets, etc., which operate an electric track switch, a device for automatically doing the work of a switchman through the operation of the magnets?

Answer. The cost of material should be charged to account No. 6, "Special Work," and the cost of labor to account No. 8, "Roadway and Track Labor."

CASE 48.

Query. To what account should be charged amount paid for rent of land on which a "Y" or switch is located?

Answer. To account No. 19, "Other Miscellaneous Way Expenses," in the Classification of Operating Expenses of Electric Railways.

CASE 49.

Query. This company has an arrangement with telephone, telegraph, and electric lighting companies, whereby it pays an amount for the

privilege of making attachments to their poles for carrying its wires, and collects from them another amount for attachments to its poles for carrying their cables and wires. To what accounts should the resulting debit and credit be made?

Answer. Charge amount paid to operating expense account No. 24, "Miscellaneous Electric Line Expenses," and credit amount received to revenue account No. 17, "Rents of Buildings and Other Property."

CASE 50.

Query. To what account should be charged the cost of *material* used in the construction of a retaining wall for the protection of banks from high tides, it being understood that account No. 8, "Roadway and Track Labor," is intended to cover the cost of labor expended in such work?

Answer. Operating expense account No. 8, "Roadway and Track Labor," is intended to cover the cost of *labor* expended in "protecting banks by retaining walls, riprap, piling, dikes, or other means." The cost of *material* used in connection with work properly chargeable to operating expenses should be charged to account No. 10, "Miscellaneous Roadway and Track Expenses."

Expenditures of the above nature arising in connection with the construction of a new road should be charged to account No. 4, "Grading," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 51.

Query. To what account should be charged rent of land used for storage of track material, part of which is for use in repairs of track, but most of which is for use in the construction of new track?

Answer. Unless the amount paid for rent of land used for the storage of track material is a large item, such as several hundred dollars per annum, it should be charged to operating expense account No. 85, "Store Expenses." In case the amount paid is a considerable item, there is no objection to including an appropriate proportion in the construction accounts. Owing to the fact that it would be impracticable to divide this rental charge among the various construction material accounts, the amount should be charged to account No. 44, "Miscellaneous," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 52.

Query. Has the Interstate Commerce Commission prescribed any account for depreciation of way and structures or equipment?

Answer. The Interstate Commerce Commission does not require any electric railway company to keep account No. 26, "Depreciation of Way and Structures," and account No. 42, "Depreciation of Equipment," unless these accounts are prescribed by the Railway Commission of any State in which such company operates mileage.

CASE 53.

Query. Is it proper to charge to account No. 41, "Interest," in the Classification of Expenditures for Road and Equipment of Electric Railways, interest paid on loans made for construction purposes by an operating electric railway company, said interest accruing on money used in building new tracks and for additional power-plant equipment and other construction purposes?

Answer. Interest which is paid or which accrues during construction should be charged to account No. 41, "Interest." Interest which accrues after the completion of the work is not chargeable to this account.

CASE 54.

Query. Should revenue account No. 15, "Rents of Tracks and Terminals," be credited with all compensation received for the use of tracks and electric lines, including services performed in connection with the dispatching and general supervision of the electric cars of one company using the tracks of another company?

Answer. All compensation of this nature should be credited to revenue account No. 15, "Rents of Tracks and Terminals." No provision is made in the electric classifications for joint facilities accounts.

CASE 55.

Query. This company owns a nine-story building. One-third of the ground floor is used for tracks for cars running into and out of the building, waiting room, ticket office, etc., and the balance is rented for store purposes, concessions, etc. The general offices occupy about one floor, and the remaining floors are rented for office purposes. Should rents received from tenants be credited to operating revenues or miscellaneous income?

Answer. Rents should be credited to revenue account No. 17, "Rents of Buildings and Other Property," if the expense of maintaining and operating the portions rented can not be separated from the expense of maintaining and operating the portion used by the railway company. In case the expense of maintaining and operating the por-

tions rented can be separated from the expense of maintaining and operating the portion used by the railway company, the rents received should be included in Income and not in Operating Revenues, and the expense of maintaining and operating the rented portions should be charged against the rents received.

CASE 56.

Query. We are in doubt as to the proper account to be charged for trolley parts, namely, wheels, axles, washers, springs, harps, poles, bushings, etc., and carbon brushes, carbons, headlight parts, etc. Should these items be charged to accounts 32 to 37, inclusive, or to account No. 63, "Miscellaneous Car-Service Expenses?"

Answer. All such parts as pertain to maintenance of equipment are chargeable to operating expense account No. 32, "Passenger and Combination Cars;" account No. 33, "Freight, Express, and Mail Cars;" account No. 34, "Locomotives;" account No. 35, "Service Cars;" account No. 36, "Electric Equipment of Cars;" or account No. 37, "Electric Equipment of Locomotives." Account No. 63, "Miscellaneous Car-Service Expenses," includes only such items as do not pertain to maintenance of equipment. The following indicates the line of demarcation between the electric equipment of a car and a car: Electric equipment of a car includes the electric *motive* equipment and wiring; the term "car" includes the car body and trucks, electric bells and wiring, electric heaters and wiring, electric lighting and wiring, and air-brake equipment and wiring. Under this segregation carbons used in electric arc headlights are chargeable to account No. 63, "Miscellaneous Car-Service Expenses," and the other items named to accounts 32 to 37, inclusive.

CASE 57.

Query. Are Class B and Class C electric carriers required to keep the 44 accounts composing the Classification of Expenditures for Road and Equipment of Electric Railways, and the 19 accounts composing the Classification of Operating Revenues of Electric Railways, the same as Class A carriers?

Answer. All electric carriers subject to the jurisdiction of the Interstate Commerce Commission are required to keep their road and equipment and revenue accounts in the same manner, no condensed classification of road and equipment accounts or of revenue accounts being provided for Class B or Class C carriers.

CASE 58.

Query. What is meant by the term "Car Hours" as used in the Mileage, Traffic, and Miscellaneous Statistics of the Annual Report, particularly with reference to "Passenger-Car Hours?"

Answer. "Passenger-Car Hours" include not only the actual time while in revenue service, but also the time consumed in running from carhouses to points where regular service is begun, time lost between trips, and time lost on account of delays caused by blockades, parades, etc. It includes the entire time during which the cars are in charge of the motormen and conductors.

INDEX.

A.

	Case.
Account, clearing, store expenses, employment of.....	10
"Paving," scope of.....	46
"Power Purchased," scope of	11, 43
"Relief Department Expenses," purpose of.....	16
Sales, net revenue from.....	38
"Special Work," explanation concerning.....	25
Accounts, "Buildings and Structures" and "Distribution System," use of sub-accounts under.....	5
"Coordinate Departments," use of.....	11
depreciation of way and structures and equipment, reference to	52
joint facilities, statement regarding.....	54
of carriers conducting railway, lighting, and power business, statement regarding balance sheet and.....	36
of carriers operating gas, electric light, and street-railway properties, statement regarding.....	42, 43
Other Operations, Dr. and Cr., use of.....	11, 36, 41, 42, 43
prescribed by Commission, keeping of, by carriers.....	27
renumbering of, by carriers, for their own convenience.....	1
temporary or experimental, reference to.....	33
undistributed, definition of.....	35
undistributed, distributing and reporting of items covered by.....	10, 14, 18
unnecessary, reference to.....	41
Additions and betterments, expenses incurred in connection with material issued for.....	10
stock and bond issues for, incidental expenses connected with, including printing of certificates.....	15
treatment of expenditures for.....	26
Air-brake equipment and wiring, classification of.....	9, 56
Air governors and pumps on cars, motors for, repairs and renewals of.....	9
storage tanks at carhouses, maintenance and operation of	17
Assessments for construction and maintenance of paving.....	2
Attachments to poles, amounts paid and received for privilege of making.....	49
Axles—trolley parts.....	56

B.

Balance sheet of carriers conducting a railway, lighting, and power business, scope of.....	36
sheets used in express and freight business, printing of.....	18
Betterment purchases, apportionment of expenses of Purchasing Department on account of.....	34

	Case.
Betterments, expenses incurred in issuing material for.....	10
stock and bond issues for, incidental expenses connected with, in-	
cluding printing of certificates.....	15
treatment of amounts expended for.....	26
Bills of lading, printing of.....	14
Boards of Public Works, etc., amounts paid to, for right to operate on and over	
highways.....	32
Bond issues for construction and additions and betterments, incidental expenses	
of, including printing of certificates.....	15
Bridge, Government, payments for privilege of operating over.....	37
Brushes, carbon—trolley parts.....	56
“Buildings and Structures” account, use of subaccounts under.....	5
Buildings, engineers in charge of, salaries and expenses of.....	24
general office, etc., maintenance of and rent received for offices in.....	55
Bushings—trolley parts.....	56

C.

Car, definition of.....	9, 56
heaters, electric, repairs and renewals of, including wiring.....	7, 9, 56
hours, definition of.....	58
lighting and wiring, electric, classification of.....	9, 56
Carbon brushes—trolley parts.....	56
Carbons—trolley parts.....	56
Carhouse clerks who furnish motormen and conductors with tickets and supplies,	
receive conductors' remittances, etc., wages of.....	21
lighting, power for.....	11, 33
Carhouses, amounts expended for lighting.....	11
compressed air storage tanks at, maintenance and operation of.....	17
operating, rent for land occupied by.....	13
Carriers conducting railway, lighting, and power business, statement regarding	
balance sheet and accounts of.....	36
operating gas, electric light, and street railway properties, statement re-	
garding accounts of.....	42, 43
renumbering of accounts by, for their own convenience.....	1
Cars, construction, power for running.....	33
electric equipment of, definition of.....	9, 56
equipped as pile drivers, steam shovels, concrete mixers, and stone crush-	
ers, maintenance of, including machinery.....	20
foreign, per diem on, and maintenance of.....	19
motors for air governors and pumps on, repairs and renewals of.....	9
service.....	6, 20, 45
sprinkling, maintenance and repairs of.....	45
steam and gasoline motor, repairs and operation of.....	6
supervision of, compensation received from other companies for.....	54
Certificates of stock issued for construction and additions and betterments, inci-	
dental expenses connected with, including printing of certificates.....	15
Classification for Outside Operations of electric railways, reference to.....	8
of Expenditures for Road and Equipment, interpretation of Note B	
under account No. 1 of.....	24
of Expenditures for Road and Equipment, requirements as to use of.....	57
of Operating Expenses, extended, use of, by roads of Classes B and C.....	3
of Operating Expenses, scope of.....	34

	Case.
Classifications, requirements as to keeping of accounts in accordance with.....	27
Cleaning conduits under tracks and removing the dirt and trash.....	28
Clearing account, store expenses, employment of.....	10
Clerks employed by carriers operating gas, electric light, and street railway prop- erties, salaries of.....	42
express, wages of.....	4
in carhouses who furnish motormen and conductors tickets and supplies, receive conductors' remittances, etc., wages of.....	21
Commissions paid for sale of school and other tickets at stores along line.....	22
Compressed air storage tanks at carhouses, maintenance and operation of.....	17
Concrete mixers, cars equipped and used as, maintenance of, including machinery	20
Conductors' reports, printing and furnishing.....	23
Conduits under tracks, cleaning of, and removal of dirt accumulation.....	28
Construction and betterment purchases, apportionment of expenses of Purchas- ing Department on account of.....	34
and betterments, expenses incurred in connection with issuance of material for.....	10
and maintenance of paving, assessments for.....	2
cars, power for running.....	33
Department expenses chargeable to.....	31
Interest on loans made for.....	29, 53
of new lines and buildings and installation of machinery in power plants, salaries and expenses of supervising engineers in charge of.	24
repair or tower wagons frequently used in, expenses of.....	30
shop and storeroom expenses chargeable to, treatment of.....	31
stock and bond issues for, incidental expenses connected with, including printing of certificates.....	15
Contacts, overhead, automatically operating track switch, employees and material used in repairs of.....	47
Contributions, voluntary, to employees or their families on account of sickness, etc.....	16
Coordinate Departments, use of accounts relating to.....	11
Cross-overs, curves, and turn-outs, explanation of.....	25
ties, rails, rail fastenings and joints used in connection with.....	25
Cross walks, labor and material on.....	46
Curves, treatment of.....	25
Custom labor.....	31, 38

D.

Delays in schedules, time lost on account of, how treated.....	58
Department expense chargeable to construction, and to other companies and per- sons, treatment of.....	31
Depreciation of way and structures and equipment accounts, reference to.....	52
Discount, treatment of.....	29
Dispatching trains, compensation received from other companies for.....	54
"Distribution System" account, use of subaccounts under.....	5

E.

Electric bells and wiring on cars, classification of.....	9, 56
car heaters, repairs and renewals of, including wiring.....	7, 9, 56
car lighting and wiring, classification of.....	9, 56

	Case.
Electric equipment of cars, definition of.....	9, 56
track switch, repairs of contacts and wires, for operating.....	47
Employees engaged in repairs of overhead contacts automatically operating track switch, wages of.....	47
express, wages of.....	4
injured, wages paid to.....	16
steam locomotive and steam and gasoline motor car, wages of.....	6
Engineers, supervising, in charge of construction of new line and buildings and installation of machinery in power plants, salaries and expenses of.....	24
Equipment, classification of expenditures for road and, interpretation of Note B under account No. 1, of.....	24
classification of expenditures for road and, requirements as to use of.....	57
depreciation accounts, reference to.....	52
Exchange, treatment of.....	29
Expense bills used in express and freight business, printing of.....	18
Expenses, Department, chargeable to construction and to other companies and persons, treatment of.....	31
general, of carriers operating gas, electric light, and street railway properties.....	42
incurred in issuing material for construction and betterments.....	10
incurred in printing and issuing certificates of stock and bonds for construction and additions and betterments.....	15
of Purchasing Department on account of construction and betterment purchases, apportionment of.....	34
of repair and tower wagons engaged in construction work.....	30
of supervising engineers in charge of construction of new lines and buildings, and installation of machinery in power plants.....	24
operating, scope of classification of.....	34
requirements as to keeping of accounts for.....	27
store, reporting of, and employment of clearing account for.....	10
Experimental accounts, reference to.....	33
Express clerks, wages of.....	4
Extended Classification, use of, by roads of classes B and C.....	3

F.

Foreign cars, per diem on, and maintenance of.....	19
Fuel, steam locomotive and steam and gasoline motor car.....	6

G.

Gasoline motor cars, repairs and operation of.....	6
General expenses of carriers operating gas, electric light, and street railway properties.....	42
improvements in free private park.....	39
office buildings, maintenance of, and rent received for offices in.....	55
supervision of cars for other companies, amounts received for.....	54
Government bridge, payments for privilege of operating cars over.....	37

H.

Headlight parts, trolley.....	56
Heaters, electric car, repairs and renewals of, including wiring.....	7, 9, 56
High-tension lines, rent paid for pole-line right of way of.....	32

	Case.
Highway sprinkling, amounts received for.....	45
Highways, right to operate over and across, amounts paid for.....	32
I.	
Improvements in free private park, cost of.....	39
Injured employees, wages paid to.....	16
Interest on loans made for construction.....	53
treatment of.....	29
J.	
Joint facilities accounts, statement regarding.....	54
compensation received for.....	54
Joints used in connection with cross-overs, curves, and turn-outs.....	25
L.	
Labor and material on cross walks.....	46
custom.....	31, 38
expended in protecting banks.....	50
Land occupied by pole line, rent of.....	32
regular operating carhouses, rent of.....	13
"Y," rent of.....	48
Land used for storage of track material, rent of.....	51
Lighting and wiring, electric car, classification of.....	9, 56
carhouses, power for.....	11, 33
department, monthly charges for power to.....	36
shops, carhouses, etc., amount expended for.....	11
Loans for construction, interest on.....	53
Locomotives, steam, repairs and operation of.....	6
Lubricants, steam locomotive and steam and gasoline motor car.....	6
M.	
Machinery in power plants, engineers in charge of installation of.....	24
on service cars, maintenance of.....	20
Magnets, etc., wires leading from trolley to, operating track switch.....	47
Maintenance and construction of paving, assessments for.....	2
and operation of compressed-air storage tanks at carhouses.....	17
of foreign cars.....	19
of free private park.....	39
of general office, etc., buildings.....	55
of service-car machinery.....	20
of service cars.....	20, 45
of underground conduit, cleaning and.....	28
Manure removed from stables, amount received from sale of.....	44
Material and labor on cross walks.....	46
for construction and betterments, expense of issuing.....	10
new, profit on sale of.....	38
storage of, rent paid for land for.....	51
used in repairs of overhead contacts automatically operating track switch.....	47
used in retaining wall for protection of banks.....	50
Motor cars, steam and gasoline, repairs and operation of.....	6
Motors for air governors and pumps on cars, repairs and renewals of.....	9
shop, power for.....	33

	Case.
Municipalities, amounts paid to, for right to operate over and across streets.....	32
amounts received from, for sprinkling streets and highways.....	45
N.	
Net revenue, Sales Account	38
New lines, engineers in charge of, salaries and expenses of.....	24
material sold, profits on.....	38
structures and general improvements in free private park, cost of.....	39
Note B, under account No. 1, Classification of Expenditures for Road and Equip- ment, interpretation of.....	24
O.	
Offices in general office, etc., buildings, rent received for.....	55
Ohmer Fare Registers, rent of.....	12
Operating Expenses, Classification, scope of.....	34
superfluous accounts for, reference to.....	41
temporary or experimental accounts for, reference to.....	33
use of extended classification of, by roads of classes B and C..	3
Operating over Government bridge, payments for privilege of.....	37
over highways and streets, privilege of.....	32
revenues and expenses, keeping of accounts for.....	27
Operation of compressed-air storage tanks at carhouses.....	17
general office, etc., buildings.....	55
steam locomotive and steam and gasoline motor car.....	6
Other companies, amounts received for use of tracks by.....	54
amounts received for work performed for.....	31
specific payments to, for cost of lighting or operating shops.....	11
Other operations accounts, Dr. and Cr., use of.....	11, 36, 41, 42, 43
Outside operations of electric railways, reference to.....	8, 36
parties, work performed for.....	31, 38
Overhead contacts automatically operating track switch, employees and material used in repairs of.....	47
P.	
Park, new structures and general improvements in, and maintenance of.....	39
Passenger-car hours, definition of.....	58
"Paving" account, scope of.....	46
Paving, assessments for maintenance and construction of.....	2
Per diem on foreign cars.....	19
Pile driver, cars equipped and used as, maintenance of, including machinery.....	20
Pole-line right of way, rent paid for.....	32
Poles, amounts paid and received for privilege of making attachments to.....	49
trolley parts.....	56
Power, division of cost of.....	36, 42, 43
furnished by company for shop motors, carhouse lighting, and running construction cars.....	33
Power-plant machinery, engineers in charge of installation of.....	24
"Power Purchased" account, scope of.....	11, 43
Prescribed accounts, keeping of, by carriers.....	27
Printing, and furnishing reports made by conductors and shortage notices, cost of. and stationery used by clerks whose salaries are charged to Superintend- ence of Way and Structures, Superintendence of Equipment, and Superintendence of Transportation.....	23 18

	Case.
Printing, expense bills, balance sheets, and other stationery used in express and freight business, cost of	18
rate sheets, waybills, bills of lading, etc., cost of	14
securities issued for construction and additions and betterments, cost of	15
Private property, rent paid for right to operate over	32
Public highways, right to operate over, amounts paid for	32
Pumps on cars, motors for air governors and, repairs and renewals of	9
Purchasing Department, apportionment of expenses of, on account of construction or betterment purchases	34
R.	
Rail fastenings used in connection with cross-overs, curves, and turn-outs	25
Railroad Commissions, State, use of depreciation accounts prescribed by	52
Rails used in connection with cross-overs, curves, and turn-outs	25
Railway department, monthly charges for power to	36
Rate sheets, printing of	14
Registers, Ohmer Fare, rent of	12
"Relief Department Expenses" account, purpose of	16
Removal of accumulation in conduit under tracks	28
Renewals, electric car heater, including wiring	7, 9, 56
of motors for air governors and pumps	9
of paving, assessments for	2
Rent, paid for land occupied by regular operating carhouses	13
for land occupied by "Y"	48
for land used for storage of track material	51
for pole-line right of way	32
for right to operate over private property	32
for use of Ohmer Fare Registers	12
Rent received for offices in general office, etc., buildings	55
received for use of tracks and electric lines	54
treatment of	42
Renumbering primary accounts by carriers for their own convenience	1
Repair wagons, frequently used in construction, expenses of	30
Repairs and renewals, electric car heater, including wiring	7, 9, 56
and renewals of motors for air governors and pumps on cars	9
of overhead contacts and wires automatically operating track switch	47
of paving, assessments for	2
of sprinkling cars, cost of	45
of steam locomotives and steam and gasoline motor cars	6
of wires leading from trolley to magnets, etc., operating track switch	47
Retaining wall for protection of banks, material used in	50
Revenue, net, Sales Account	38
Revenues and expenses, requirements as to keeping of accounts for	27
Right of way for pole line, rent paid for	32
over Government bridge, payments for	37
over private property, streets and public highways, payments for ..	32
Road and equipment, classification of expenditures for, interpretation of Note B under account No. 1 of	24
classification of expenditures for, requirements as to use of	57
Roadway and track sprinkling	40

S.

	Case.
Salaries of clerks employed by carriers operating gas, electric light, and street railway properties, treatment of.....	42
supervising engineers in charge of construction of new line and buildings and installation of machinery in power plants.....	24
Sale of manure removed from stables, amount received from	44
new material, profit on	38
tickets at stores, wages and commissions paid for	22
Sales Account, net revenue from.....	38
School and other tickets sold at stores along line, wages and commissions paid for.....	22
Service cars.....	6, 20, 45
Shop expenses chargeable to construction and to other companies and persons, treatment of.....	31
motors, power for.....	33
Shops, amounts expended for lighting or operating.....	11
Shortage notices, printing and furnishing.....	23
"Special Work" account, explanation concerning.....	25
Springs—trolley parts.....	56
Sprinkling cars, maintenance and repairs of.....	45
streets and highways, amounts received for.....	45
streets, roadway, and track, expense of.....	40, 45
Stable manure, amounts received from sale of.....	44
Standard system of accounts of Street Railway Association, reference to.....	27
State Railroad Commissions, depreciation accounts, reference to use of.....	52
Stationery and printing.....	14, 15, 18, 23, 39
Steam locomotives and motor cars, repairs and operation of.....	6
shovels, cars equipped and used as, maintenance of, including machinery..	20
Stock issues for construction and additions and betterments, incidental expenses of, including printing of certificates.....	15
Stone crushers, cars equipped and used as, maintenance of, including machinery..	20
Storage of track material, rent of land for.....	51
tanks for compressed air at carhouses, maintenance and operation of.....	17
Store expenses, employment of clearing account for.....	10
reporting of.....	10
Storeroom expenses chargeable to construction and to other companies and persons, treatment of.....	31
Street Railway Accountants' Association of America, reference to system of accounting recommended by	27
railway department, monthly charges for power to.....	36
sprinkling, amounts received for	45
expense of	40, 45
Streets, right to operate over and across, amounts paid for.....	32
Structures, new, in free private park, cost of.....	39
Subprimary accounts, filing of, with Commission.....	5
Superfluous accounts, reference to.....	41
Supervising engineers in charge of construction of new line and buildings and installation of machinery in power plants, salaries and expenses of.....	24
Supervision of cars for other companies, amounts received for.....	54
Switch, rent of land occupied by.....	48
repairs of overhead contacts and wires for automatically operating.....	47

35

T.

	Case.
Tanks at carhouses, compressed-air storage, maintenance and operation of.....	17
Taxes, treatment of.....	29, 42
Temporary accounts, reference to.....	33
Terminals, rent for use of.....	54
Tickets sold at stores along line, wages and commissions paid for.....	22
Ties used in connection with cross-overs, curves, and turn-outs.....	25
Tower wagons frequently used in connection with construction, expenses of.....	30
Track material, land used for storage of, rent of.....	51
sprinkling.....	40
switch, cost of labor and material used in repairs of overhead contacts auto- matically operating.....	47
Tracks, compensation received from other companies for use of.....	54
Trip sheets, printing and furnishing.....	23
Trolley parts—axles, bushings, carbon brushes, carbons, harps, headlight parts, poles, springs, washers, wheels, etc.....	56
Trucks, car, classification of.....	9, 56
Trustees, payments to, in connection with issuance of stocks and bonds for con- struction and additions and betterments.....	15
Turn-outs, cross-overs, and curves, explanation of.....	25
ties, rails, rail fastenings, and joints used in connection with.....	25

U.

Underground conduits, cleaning of.....	28
“Undistributed Accounts,” definition of.....	35
distributing and reporting of items covered by....	10, 14, 18
Unnecessary accounts, reference to.....	41

V.

Voluntary contributions to employees or their families on account of sickness, etc.	16
---	----

W.

Wages of carhouse clerks who furnish motormen and conductors with tickets and supplies, receive conductors' remittances, etc.....	21
of employees on steam locomotives and steam and gasoline motor cars.....	6
of express clerks.....	4
paid employees while suffering from injuries.....	16
paid for sale of school and other tickets at stores along line.....	22
Wagons, repair or tower, frequently used in construction, expenses of.....	30
Wall, retaining, for protection of banks, material used in.....	50
Washers—trolley parts.....	56
Waste, steam locomotive and steam and gasoline motor car.....	6
Water used in operation of steam locomotives and steam and gasoline motor cars..	6
Way and structures depreciation accounts, reference to.....	52
Waybills, printing of.....	14
Wheels—trolley parts.....	56
Wires leading from trolley to magnets, etc., operating track switch.....	47
Wiring of car fixtures, repairs and renewals of.....	7, 9, 56

Y.

“Y,” rent of land occupied by.....	48
------------------------------------	----

O

Accounting Bulletin No. 3

DECISIONS UPON QUESTIONS

RAISED UNDER

CLASSIFICATIONS

PRESCRIBED BY

**THE INTERSTATE COMMERCE
COMMISSION**

FOR EXPRESS COMPANIES

IN ACCORDANCE WITH

SECTION 20 OF THE ACT TO REGULATE COMMERCE

Effective on September 1, 1909

**WASHINGTON
GOVERNMENT PRINTING OFFICE
1909**

THE INTERSTATE COMMERCE COMMISSION.

MARTIN A. KNAPP, *of New York.*

JUDSON C. CLEMENTS, *of Georgia.*

CHARLES A. PROUTY, *of Vermont.*

FRANCIS M. COCKRELL, *of Missouri.*

FRANKLIN K. LANE, *of California.*

EDGAR E. CLARK, *of Iowa.*

JAMES S. HARLAN, *of Illinois.*

EDWARD A. MOSELEY, *Secretary.*

INTRODUCTORY LETTER.

INTERSTATE COMMERCE COMMISSION,
BUREAU OF STATISTICS AND ACCOUNTS,
Washington, August 20, 1909.

TO CARRIERS CONCERNED:

This bulletin, entitled "Accounting Bulletin No. 3," contains the final answers to a series of questions submitted to the Bureau of Statistics and Accounts in relation to the accounting classifications, prescribed by the Commission for express companies, that became effective on July 1, 1908. The cases selected are regarded as important for the reason that they make clear the meaning or application of the text descriptive of the primary accounts covered by the Classification of Operating Expenses, the Classification of Operating Revenues, and the Classification of Expenditures for Real Property and Equipment of Express Companies.

Questions pertaining to the interpretation of the prescribed classifications are invited, to the end that such questions, with the answers thereto, may be published in subsequent issues of Accounting Bulletins.

HENRY C. ADAMS,
In charge of Statistics and Accounts.

INTERSTATE COMMERCE COMMISSION ACCOUNTING BULLETIN NO. 3.

QUESTIONS AND DECISIONS.

CASE 1.

Query. To what account shall amounts expended for buildings erected on leased ground be charged? Could not such amounts be charged to Operating Expenses in monthly installments covering the period of lease?

Answer. The cost of buildings or structures which are of such nature and use as to be worthless at the expiration of a lease may be charged to Operating Expenses in monthly installments covering the period of lease. In the case of other buildings or structures, the monthly charge to Operating Expenses should be computed according to the principles which govern depreciation charges.

CASE 2.

Query. We fail to find any provision for buildings of the company that are on ground owned by the company and are occupied in part by the company, the remainder being occupied by tenants who pay rent. Is it the intention to keep separate the ground on which buildings are erected from the buildings themselves? Manifestly, there have been cases where we bought the property without separating the cost of the land from the cost of the buildings, and there have been cases where the land has appreciated and the buildings have depreciated, and there are no records to show what the buildings cost originally.

Answer. The query, if understood correctly, indicates the misapprehension that the classification issued requires a redistribution of property and equipment accounts. The Classification of Expenditures for Real Property and Equipment of Express Companies is designed primarily for distributing expenditures for property and equipment (not replacing previously existing property and equipment) made sub-

sequently to the date on which the classification became effective. If, however, expenditures incurred before that date can be redistributed according to the classification, the redistribution may be made.

CASE 3.

Query. We have an account which we have heretofore called "Premium and Discount," which consists principally of charges for exchange on remittances from our depositaries at distant points in the United States to our General Cashier. I do not find in the classification anything that will just cover them and beg to inquire as to where we should charge them. The funds upon which the charges accrue consist of balances due from agents in the regular course of business.

Answer. Exchange paid for agents' remittances to the General Cashier should be charged to Operating Expenses, account No. 48, "Other Expenses," under "General Expenses."

CASE 4.

Query. Referring to revenue accounts Nos. 6 and 7: to which account should earnings on money orders sold in Canada be credited?

Answer. The revenue from money orders sold in Canada, Mexico, Newfoundland, and Continental United States should be classed as "Domestic" and credited to account No. 6, "Money Orders—Domestic," if payable in the countries named. If payable in other countries, the revenue should be credited to account No. 7, "Money Orders—Foreign."

CASE 5.

Query. There are certain items which have always been charged by express companies to Loss and Damage Account, which are not provided for in the Classification of Operating Expenses. For instance, loss on financial paper, such as payment of money orders on forged indorsements, bad debts, or uncollectible accounts. Can such items be properly charged to account No. 35, "Loss and Damage—Money," or shall they be included in a separate account?

Answer. Losses occasioned by reason of payment of money orders on forged indorsements should be charged to account No. 48, "Other Expenses," under "General Expenses." A loss occasioned through inability to collect the amount due on a shipment should be charged to Income Account if the charge is made during the same fiscal year in which the earnings were credited. If the charge is not made in the same fiscal year, then Profit and Loss should be charged with the amount.

CASE 6.

Query. We own a building which is occupied by the local office, the division superintendent, and by others not connected with the express business, and it is practically impossible to separate the expenses of the portion occupied by this company from the portion leased to others. Will it be permitted to charge the expenses of maintaining and operating this building as an operating expense under the proper heading? If so, which should we credit to the general account "Revenue from Operations Other than Transportation" under the primary account "Rents of Buildings and Other Property," the entire rent of the building or only that portion paid to the express company? If the latter, what would be the proper distribution for the balance?

Answer. The Classifications of Operating Expenses and Operating Revenues of Express Companies do not contemplate that a company should include in its operating expenses any charge for the rent of its own property, and it follows that there would be no corresponding credit therefor in operating revenues. Operating expense account No. 26, "Rent of Local Offices," is intended to cover only rents actually paid, and operating revenue account No. 5, "Rents of Buildings and Other Property," is intended to embrace only rents actually received. It is obvious that a company may not pay to and receive from itself any such rents.

CASE 7.

Query. At E—— City office we are joint with the Passenger Department of the A, B & C Railway, which railway controls the office and we pay a specified amount to cover all expenses. Should we apportion that amount to various accounts? If so, what accounts?

Answer. It is understood that the items covered by the amount paid to the railway company are all "Transportation Expenses." If this is correct, you should charge the amount to account No. 39, "Operating Joint Facilities—Dr."

CASE 8.

Query. To what account should losses in excess of amounts of bonds be charged when such losses are occasioned by defalcation or embezzlement on the part of employees?

Answer. If the charge is made during the same fiscal year in which the loss occurs, the amount in excess of the bond should be charged to account No. 48, "Other Expenses," under "General Expenses." If not made in the same fiscal year the charge should be made to Profit and Loss Account.

CASE 9.

Query. I can not find that the classifications make any provision for corporation, city, or state taxes. To what account should they be charged?

Answer. Taxes are not considered operating expenses, but should be treated as deductions from income. An item has been provided for taxes on the Income Account page of the Annual Report form.

CASE 10.

Query. To what account should be charged the cost of stationery furnished for use in the offices of superintendents and other officers whose pay is chargeable to account No. 21 under general account "Transportation Expenses?"

Answer. The cost of stationery and stationery supplies used by officials whose pay is chargeable to account No. 21, "Superintendence," should be charged to account No. 33, "Stationery and Printing," under "Transportation Expenses."

CASE 11.

Query. To what account should the cost of small signs furnished for rented buildings and depots be charged?

Answer. This expense seems analogous to the items covered in account No. 17, "Advertising," under "Traffic Expenses," and should therefore be charged to that account.

CASE 12.

Query. To what account should the cost of drivers' uniforms be charged?

Answer. The cost of drivers' uniforms should be charged to account No. 28, "Stable Supplies and Expenses."

It is the intention that the three primary accounts, "Wagon Employees," "Stable Employees," and "Stable Supplies and Expenses," shall, as nearly as may be possible, represent the cost of operation of the collection and delivery service. This being the case, expenses not specifically named in the Classification of Operating Expenses, that are incurred in the operation of that service, should be charged to one of the three accounts named.

CASE 13.

Query. How should the revenues and expenses of European business be treated?

Answer. The "Foreign" business, other than the sale of financial paper, done by express companies should be included in "Outside Operations," the revenues and expenses of which are to be kept separate from those of express operations in the United States. When operations in Canada, Mexico, Cuba, Porto Rico, or Hawaii are conducted as integral parts of a company's business, the revenues and expenses of such operations should be included with the revenues and expenses of operations in the United States. When not so conducted revenues and expenses of operations in those countries should be included in "Outside Operations."

CASE 14.

Query. Should a portion of the salaries and expenses of Route Agents, Traveling Agents, and Solicitors, as well as of City Solicitors, be charged to "Traffic Expenses?"

Answer. Salaries and expenses of employees while engaged exclusively in supervising or soliciting traffic should be charged to "Traffic Expenses," regardless of whether such employees may, at other times, be engaged in other branches of the business, it being the intention to assign to "Traffic" all expenses properly assignable to it.

CASE 15.

Query. To what account should rent, attendance, linen, laundry, and incidental expenses of messengers' sleeping rooms be charged?

Answer. To primary account No. 30, "Train Supplies and Expenses."

CASE 16.

Query. Should the expense of a wagon haul used in lieu of train service be charged to "Express Privileges—Dr." when the company owns and operates the wagons?

Answer. It is not considered that the expenses of a wagon haul are in the nature of "Express Privileges." The expenses of such a haul should be distributed to the primary accounts affected that are provided in the Classification of Operating Expenses.

CASE 17.

Query. Should a portion of the salaries of employees who perform transfer duties incidental to their other duties be charged to account No. 31, "Transfer Employees?"

Answer. Only the salaries of such employees as are engaged exclusively in "Transfer" work should be charged to account No. 31.

CASE 18.

Query. Are agents required to hold open a given month's business any specified time in order to include all waybills dated in the given month but received after the end of the month?

Answer. Agents should hold open a given month's business a reasonable length of time in order to include waybills dated in that month but received after the end of the month, it being the intention that all revenues and expenses accruing in any given month should be included in that month's business.

CASE 19.

Query. Should monthly estimates be made of one-twelfth of the annual taxes, based on the amount paid for the previous year?

Answer. One-twelfth of the estimated annual taxes should be charged each month, the charge being based on the preceding year's taxes or on a later modified estimate. Any necessary corrections may be made at the close of the tax year.

CASE 20.

Query. Has any time limit been set within which settlement of through waybills must be made by the companies interested?

Answer. Settlement of a through waybill should be made between companies within sixty days from the end of the month in which the waybill is dated. When more than two companies are interested, a copy of the report rendered by the delivering company should be sent to each of the other companies interested, which report should show the percentage of revenue accruing to each of the carrying companies.

CASE 21.

Query. Is it necessary that all vouchers should bear details on their faces?

Answer. Each voucher should bear on its face sufficient evidence to show for what purpose the amount was paid, in order that it may be determined whether or not the amount is charged to the correct account.

CASE 22.

Query. Should the revenue accruing from wagon hauls within a city be credited to revenue account No. 1?

Answer. Revenue from wagon hauls within a city should be credited to revenue account No. 2, "Miscellaneous Transportation Revenue."

CASE 23.

Query. To what account should amounts paid cities or towns for wagon licenses be charged?

Answer. Amounts paid for wagon licenses should be charged to operating expense account No. 28, "Stable Supplies and Expenses."

CASE 24.

Query. To what account should sundry small amounts absorbed, such as deposits uncalled for, undelivered money packages, etc., be credited? It has been the practice in the past to credit such items to Loss and Damage Account.

Answer. Items of the nature stated above, when absorbed by the company, should be credited to Profit and Loss Account, which account should be debited in case refund is made.

CASE 25.

Query. Is it necessary that an inventory be taken at the end of each fiscal year?

Answer. Inventories should be taken at the end of each fiscal year as provided in the notes under primary accounts Nos. 3, 7, 9, 10, and 11, under general account "Maintenance," in the Classification of Operating Expenses.

CASE 26.

Query. Should amounts paid to other express companies under "Tonnage Agreements" be charged to "Express Privileges—Dr."? To what account should amounts received for similar service performed for other companies be credited?

Answer. Amounts paid to other express companies under "Tonnage Agreements" are chargeable to revenue account No. 1, "Express Revenue," as explained in the text to that account. Amounts received for services rendered under such agreements should be credited to revenue account No. 1.

CASE 27.

Query. This company has a contract for operating the express business over the lines of a certain railway company, but has sublet the privileges to another express company, we paying the railway company the agreed amount annually and receiving from the other express company the agreed amount annually. To what account should our payment to the railway company be charged and to what account should the amount paid us be credited? This company does not operate on the lines of the railway.

Answer. As your company conducts no operations over the railway company's lines, your payment to that company does not come within the class of payments contemplated in the account "Express Privileges—Dr." A clearing account should be opened on your books to which should be charged the amount paid to the railway company and to which should be credited the amount received from the other express company. At the end of the year the surplus or deficit remaining in the account should be credited or debited, as the case may be, to "Miscellaneous Income."

The second express company, on its part, should charge to "Express Privileges—Dr." the amount paid your company.

CASE 28.

Query. A shipment transferred to us by another company is lost or destroyed on our line; to what account should the charges on the shipment be debited?

Answer. The revenue of the company on whose line the shipment was lost should be charged to revenue account No. 1. "Express Revenue." The amount paid to the other company for its proportion of charges should be charged to "Loss and Damage—Freight" or "Loss and Damage—Money," according to the contents of the package.

CASE 29.

Query. We recently had stolen from the safe at one of our offices an amount of money representing the day's receipts at that office. To what account should the loss of this money be charged?

Answer. Charge account No. 38, "Other Expenses," under "Transportation Expenses."

Accounting Bulletin No. 4

DECISIONS UPON QUESTIONS

RAISED UNDER

CLASSIFICATIONS

PRESCRIBED BY

**THE INTERSTATE COMMERCE
COMMISSION**

FOR

STEAM ROADS

IN ACCORDANCE WITH

SECTION 20 OF THE ACT TO REGULATE COMMERCE

Effective on January 1, 1910

(Supersedes Accounting Bulletin No. 1)



WASHINGTON

GOVERNMENT PRINTING OFFICE

1909

Received 4-21-30 AM

JUDSON C. CLEMENTS, of Georgia.

FRANCIS M. COCKRELL, of *Missouri*.

EDGAR E. CLARK, of Iowa.

EDWARD A. MOSELEY, *Secretary.*

INTRODUCTORY LETTER.

INTERSTATE COMMERCE COMMISSION,
BUREAU OF STATISTICS AND ACCOUNTS,
Washington, D. C., December 1, 1909.

TO CARRIERS CONCERNED:

Under date of June 16, 1908, there was issued Accounting Bulletin No. 1, which contained answers to various accounting questions bearing upon the interpretation of certain classifications previously prescribed by the Interstate Commerce Commission. In Accounting Series Circular No. 12b (amended), issued under date of September 25, 1908, were published further questions and answers, which chiefly referred to expenditures for additions and betterments, the classification of which had then been issued only tentatively. That circular also covered a few cases the answers to which had not been finally approved, and some new cases. In order now to include in a single pamphlet all those cases and additional cases of current effect, the answers to which have been finally approved, this Accounting Bulletin No. 4 is issued. The cases in Accounting Bulletin No. 1 are reprinted in Accounting Bulletin No. 4, with the exception of a few that have been canceled and a few others that have been amended to conform to later classifications.

In Accounting Series Circular No. 12c, dated December 1, 1909, are published other cases (mostly new, with some reprinted from previous circulars), the answers to which are regarded as subject to possible modification. Thus it appears that Accounting Series Circular No. 12c and Accounting Bulletin No. 4 together constitute a file of important cases relating to the classifications that were submitted before October 1, 1909.

HENRY C. ADAMS,
In charge of Statistics and Accounts.

INTERSTATE COMMERCE COMMISSION ACCOUNTING BULLETIN NO. 4.

. QUESTIONS AND DECISIONS.

CASE 1.

Query. How shall debits and credits not provided for in Classifications of Operating Expenses and Revenues, such as Outside Operations and Additions and Betterments, be disposed of prior to receipt of formal order of Commission?

Answer. All accounting matters must be disposed of in conformity with the principles embodied in the orders of the Interstate Commerce Commission. Subject to this limitation, where not covered by such orders, they may be disposed of according to the judgment of the carrier.

CASE 2.

Query. When a carrier assumes proportion of switching charges collectible from another carrier, should such proportion be charged to freight revenue as switching absorbed and credited to freight revenue when collected?

Answer. This is a matter of bookkeeping, in which each carrier is for the present permitted to use its own discretion so long as the integrity of the prescribed account is maintained. (*See Case 214.*)

CASE 3.

Query. Is it essential that books be written up monthly by a road which has been in the habit heretofore of writing up books once in six months?

Answer. Accounts should be written up monthly.

CASE 4 (*amended*).

Query. Is it permissible after July 1, 1907, to carry over balances in reserve funds? Such balances may consist of estimated amounts of overcharges, switching, loss, damage, and personal injury claims.

Answer. Such balances in reserve accounts may be carried over. There is no objection to the creation and maintenance of reserves of this character, provided the charges to the various operating expense and revenue accounts are adjusted yearly. Reserves should be held until liabilities for which they were created are liquidated.

CASE 5.

Query. A judgment chargeable to operating expenses is rendered against a carrier. Is it permissible to spread the amount thereof over several months, and even over more than one fiscal year?

Answer. Judgments and heavy or extraordinary expenses, due to fires, accidents, etc., may be spread over several months of a fiscal year, but permission must be obtained from the Interstate Commerce Commission if it is desired to extend the charges to Operating Expenses into the succeeding fiscal year.

CASE 6 (*amended*).

Query. To what account should the expense of "studies" by the Engineering Department be charged? By "studies" are meant tentative surveys, sinking test pits, etc., in connection with proposed work, prior to any authorization for the prosecution of the work. In some cases the work is ultimately not undertaken, and the expense can not therefore be charged against the job.

Answer. Such expense should be charged to convenient suspense or clearing accounts until such time as it can be determined where these expenditures belong, and then transferred to Income, Profit and Loss, Construction, Additions and Betterments, or Operating Expenses, as may be appropriate.

CASE 7.

(Canceled.)

CASE 8.

Query. To what account should be charged loss and damage on company material?

Answer. The cost of all company material lost or damaged in transit should be charged to "Loss and Damage—Freight" under Transportation Expenses. The text under that account is amended by the supplement effective on July 1, 1908, by eliminating the words "but not" in parentheses in the third line and now reads as follows:

"LOSS AND DAMAGE—FREIGHT.

"This account includes payments for loss, damage, delays, or destruction of freight, locomotives, and cars when waybilled as freight

(including all company's material), parcels, or express intrusted to the company for transportation, including live stock received for shipment; and all expenses directly incident thereto; freight in transit lost overboard from lighters (less insurance and amount recovered from sale of unclaimed and damaged freight); cost of repacking and boxing damaged merchandise and other property; pay and expenses of employees and others engaged as adjusters and in detecting thieves; and services and expenses of employees or others while engaged as witnesses in lawsuits in connection with loss and damage cases."

CASE 9.

Query. In adjusting material accounts to basis of inventory, what account or accounts should be credited or debited?

Answer. Differences in inventory debit or credit should be considered as having accrued in operating material, and should be debited or credited to the proper operating expense accounts on the basis of material issued and charged to these accounts since the last inventory adjustment, provided that where an overage or shortage on any particular class of material, such as ties, rails, fuel, etc., can be definitely determined an adjustment should be made in the accounts affected thereby.

CASE 10.

Query. How shall taxes on joint facilities be treated?

Answer. Taxes paid upon property used jointly should be charged by the owner to taxes, and the proportion paid by the user should be charged by him to the appropriate rent account under Income Account together with the rent, and not to taxes, a corresponding credit to rents received under Income Account being made by the owner.

CASE 11.

Query. Shall rent of tracks based on percentage of valuation be charged to Income Account under head of rents?

Answer. Yes.

CASE 12.

Query. To what account should be charged a rent of property based on interest valuation?

Answer. To an appropriate rent account under Income Account.

CASE 13.

Query. We are renting a piece of ground belonging to another carrier, and upon this ground we have built tracks for our own exclusive use.

To what accounts should be charged amount paid for the rent of the ground, and to what account should the carrier owning the ground credit the amount received from us?

Answer. Debits and credits should go respectively to the appropriate rent accounts under Income Account.

CASE 14.

Query. The A Railroad Company has a contract whereby about 4 miles of its track are used by another company without any expense of any kind to A. Kindly advise to what revenue account the rent should be credited?

Answer. To an appropriate rent account under Income Account.

CASE 15.

Query. Road A is the lessor of certain track over which it does not operate its own trains. This track is used jointly by road B and road C, which pay a fixed rent, taxes, and maintenance; taxes and maintenance being apportioned between them on the basis of engine and car mileage. Should the taxes paid and collected by road A be credited to taxes or debited to taxes and credited same as rent to Income? To what account should this item be charged by the lessee companies?

Answer. Taxes paid by the lessor should be charged to taxes, and when collected by the lessor should be credited to an appropriate rent account under Income Account. Rent paid with respect to such taxes should be charged by the lessee to an appropriate rent account under Income Account.

CASE 16.

Query. To what account shall be credited rents from property not used in the operation of the railroad? To what account shall be charged cost of repairs, insurance, taxes, and other expenses in connection with such property?

Answer. Rents received from rent of buildings and other property not included in the operation of a road should be credited to an appropriate rent account under Income Account, and insurance, repairs, and other expenses incident to the care of the property should be charged to the same account. Taxes should be charged to Taxes account.

CASE 17 (amended).

Query. To what account should be charged rent of bridges?

Answer. Payments for rent of a bridge, which includes the cost of operation or maintenance, should be divided by agreement of the

parties at interest into two parts; one part, covering the cost of maintenance or operation or both, to be charged to appropriate operating expense accounts, using the joint-facilities accounts if the bridge be jointly used by carriers; the remainder to be charged to the proper rent account under Income. If the payment made does not include any part of the cost of maintenance or operation, the whole should be charged to Income. The principle is that the operating expenses of carriers should include the cost of operating and maintaining facilities or parts of facilities used by them in the business of transportation.

CASE 18.

Query. Does the Classification of Expenditures for Road and Equipment, First Revised Issue, apply only to new lines and not to betterments and improvements on existing lines?

Answer. Expenditures for construction and equipment of new main and branch lines and extensions of existing lines are required to be classified according to the Classification of Expenditures for Road and Equipment. Expenditures for additions and betterments should be classified in accordance with the Classification of Expenditures for Additions and Betterments, and the *aggregate* is required to be redistributed in accordance with the Classification of Expenditures for Road and Equipment.

CASE 19 (*amended*).

Query. To what account should be charged discount on bonds issued for construction of new lines and for additions and improvements?

Answer. Discount on bond issues should be charged to an account which may be called "Discount on Securities Issued." (*See Case 101.*)

CASE 20.

(Canceled.)

CASE 21.

(Refers to additions and betterments. *See Accounting Series Circular No. 12c.*)

CASE 22.

(Refers to additions and betterments. *See Accounting Series Circular No. 12c.*)

CASE 23.

(Refers to additions and betterments. *See Accounting Series Circular No. 12c.*)

CASE 24.

Query. A carrier operates from A to B by rail and from B to C by water, making an arbitrary division of the revenues received between the rail and water lines. Does the proportion allowed water line from B to C constitute what is meant by "allowance" in Introductory Letter in Classification for Outside Operations?

Answer. Yes.

CASE 25.

Query. This company operates its parlor cars in the same trains with other passenger cars, and the expenses for such cars for general supervision, heating, lighting, cleaning, taxes, etc., can not be accurately ascertained and must be arbitrarily apportioned if they are to be treated in Outside Operations. Therefore as parlor cars are operated by us in direct connection with the transportation business, are we permitted to charge the expenses on account of these cars to appropriate accounts under Operating Expenses and credit the receipts from such car fares to account No. 4, "Parlor and Chair Car Revenue," under Operating Revenues?

Answer. When the receipts from or expenses of operating parlor cars are not sufficient to impair the statistics of rail operation the revenue may be credited to revenue account No. 4, "Parlor and Chair Car Revenue," and the expenses charged to appropriate operating expense accounts.

CASE 26.

Query. This company operates its stock yards in connection with its transportation business. It has no stock yards that do not furnish facilities for the company when occasion arises, as well as to shippers, from whom collections are made to cover the service. It will be practically impossible for us to make an accurate separation of the expenses for services rendered the company from those rendered shippers. We would ask, therefore, if we are permitted to charge all expenses on account of such stock yards to appropriate accounts under Operating Expenses, and to credit all receipts to account No. 19, "Miscellaneous," under Operating Revenues?

Answer. Yes, if not inconsistent with the Introductory Letter and text of the Classification of Revenues and Expenses for Outside Operations.

CASE 27.

Query. The question arises as to the proper distribution of boat demurrage. A charge is made against the traffic or the owner of the

boat when it is delayed beyond a certain date, and payments are made to lines owning wharf facilities when one of our boats is tied up beyond a certain period.

Answer. It should be treated through the appropriate Outside Operation revenue and expense accounts if incidental to conducting an outside operation.

CASE 28.

(Refers to additions and betterments. *See Accounting Series Circular No. 12c.*)

CASE 29.

Query. Is it permissible to spread insurance premiums, to be paid in any one year, over twelve months, provided adjustment is made at close of year to actual payments on this account?

Answer. Insurance premiums should be charged upon the basis of accruals. Where the premium covers twelve months' insurance, one-twelfth should be charged each month.

CASE 30.

Query. In the Classification of Operating Expenses, Third Revised Issue, under the heading "Buildings, Fixtures, and Grounds," on page 34, Note B, reads as follows:

"Insurance recovered on buildings, fixtures, and grounds should be credited to this account." Will you please advise me if it is intended that we shall credit Operating Expenses—"Buildings, Fixtures, and Grounds"—with the total amount recovered from a building in the month in which payment is made by the insurance company?

I will explain that heretofore when a building was destroyed and the insurance recovered, we have credited the insurance to a temporary account, such as "Insurance Collected on Buildings Burned," sub-account "Depot at ———," for instance. When the depot was reconstructed, we charged the cost of the new depot to the last-named ledger account. In this way operating expenses were not disturbed in any way by the burning of the depot or the recovery of the insurance.

If we recover, say, \$25,000 for a depot destroyed, we would, under instructions in Note B, immediately—that is, in the month in which the money was received from the insurance company—credit operating expenses with the \$25,000. This will affect comparison with the previous month and with the same month of the previous year.

The above also applies to "Bridges, Trestles, and Culverts," Note C, page 29.

Answer. The above-stated manner of handling the accounts with respect to insurance, through a temporary account, is correct.

CASE 31.

Query. Are not Notes C, page 29, and B, page 34, of the official Classification of Operating Expenses, Third Revised Issue, in conflict with the last clause of Note A on page 40, under "Insurance," which provides that to "Insurance" shall "be credited all amounts recovered from insurance companies for damage to property reinsured by them?"

Answer. There is no conflict. The last-mentioned provision is restricted to the case of reinsurance; i. e., where a carrier acts as its own insurer and by suitable charges to operating expenses raises an insurance fund or reserve. In such case, if it is later deemed advisable to divide the risk with respect to any particular portion of the property, such property is reinsured with another insurer, the premium paid for such reinsurance is charged to the insurance fund or reserve, and the amount recovered in case of casualty is credited to such fund or reserve.

CASE 32 (*amended*).

Query. With reference to the note in the Third Revised Classification of Operating Expenses under each of the accounts, "Ties," "Rails," "Bridges," etc., is it intended that the several accounts shall include in any one fiscal year only the actual expenditures (of the character contemplated) made during the particular fiscal year, or is it contemplated that, if a company desires, it may authorize or approximate any sum that it may see fit, charging the amount so authorized or approximated to the accounts concerned without regard to the actual expenditures during any month or fiscal year?

Answer. Reserve accounts of this character may be created by monthly charges to operating expense accounts of sums estimated to be necessary for maintenance, but such charges should be adjusted annually so that the total charge for the year shall represent the actual expenditures for maintenance in that year. (*See Case 106.*)

CASE 33.

Query. To what account should be credited old material released when equipment is condemned or destroyed?

Answer. Should be credited to the respective Replacement accounts.

CASE 34.

Query. To what account should be charged pay and expenses allowed employees while attending inquests held by coroners?

Answer. To the appropriate "Injuries to Persons" account or accounts.

CASE 35.

Query. To what account should be charged rent of office for use of Claims Department in charge of injuries to persons and property other than freight and baggage?

Answer. Rents in such case should be considered as office expenses, except when provided for otherwise.

CASE 36.

Query. In the case of a road owning one locomotive, the cost of which was charged to Operating Expenses, should depreciation be computed and charged to Operating Expenses?

Answer. Yes; otherwise current operating expenses would not be truly stated.

CASE 37.

Query. To what account should be charged the salary of fire chiefs?

Answer. To "Superintendence," under Maintenance of Way and Structures. Attention is called to Note B under that account.

CASE 38 (amended).

Query. To what account should be charged damages for overflows caused or alleged to be caused by inadequate waterways either in original construction or subsequent closing of waterways?

Answer. To appropriate Maintenance of Way and Structures accounts when the property damaged is the carrier's own; to "Damage to Property" when it is the property of others. If, however, the damage is directly connected with additions and betterments work the cost of the damage should be included in the cost of the work. See General Instructions in the Classification of Expenditures for Additions and Betterments.

CASE 39.

Query. Should the cost of installing and operating interlocking or other signal apparatus at gravel pits be charged against the convenience account provided under the "Ballast" account?

Answer. Charge to "Ballast" clearing account.

CASE 40.

Query. Is it required that the regular charge to depreciation and credit to renewals shall be made on the roadbed?

Answer. No; not under present classification. Depreciation accounts for way and structures may, however, be kept as subaccounts

if desired. In such case the names and descriptions of the subaccounts must be filed with the Interstate Commerce Commission. (*See Case 106.*)

CASE 41.

Query. To what account should be charged cost of cleaning car-cleaning yards (an expense resulting from the cleaning of cars)—to "Roadway and Track" or to "Train Supplies and Expenses?"

Answer. "Roadway and Track," under Maintenance of Way and Structures.

CASE 42 (*amended*).

Query. To what account should be charged the expense of bonding rails in connection with signals and interlocking systems?

Answer. If the work is done during construction period, the cost should be charged to account No. 16, "Interlocking and other Signal Apparatus" in the Classification of Expenditures for Road and Equipment. When chargeable to operating expenses, it should be charged to account "Signals and Interlocking Plants," under Maintenance of Way and Structures. If a part of additions and betterments work, to appropriate accounts in the Classification of Expenditures for Additions and Betterments.

CASE 43.

Query. In reference to revenue and expense of commercial telegraph lines, please advise if we should include under that heading revenue and expenses from commercial telephone lines?

Answer. Revenues and expenses of commercial telephone lines should be treated the same as the revenues and expenses of commercial telegraph lines.

See Supplement, effective on July 1, 1908, to the Classification of Operating Expenses for Steam Roads, Third Revised Issue. See also Supplement, effective on July 1, 1908, to the Classification of Operating Revenues for Steam Roads, First Issue; and also Classification of Revenues and Expenses for Outside Operations for Steam Roads, First Issue, effective on July 1, 1908.

CASE 44.

Query. Third Revised Issue of the Classification of Operating Expenses, page 33, "Other Expenses" (subdivision of "Buildings, Fixtures, and Grounds"), reads:

"Cost of material used (less salvage) in repairing and renewing transfer tables," etc.

Should not the words "and labor expended" be inserted immediately preceding the word "in?"

Answer. The labor should follow the material, therefore the rule should be construed as suggested in the question.

CASE 45.

(Canceled.)

CASE 46.

Query. Should not the word "operation" in the phrase "operation of joint facilities" in the notes on pages 40 and 58 of the accounts covering maintenance of joint tracks, equipment, etc., read "maintenance," and shall we so construe it?

Answer. The word "operation" is used in its broad sense, and should be construed to embrace maintenance or any other element of operating expense covered by such bills for joint operation.

CASE 47.

Query. It is observed that no provision is made in text for account "Freight-Train Cars—Repairs" for repairs to work-cars used in commercial service. This company owns a large number of cars which it classifies as "ballast" cars, and which we constructed with the purpose of using in either work or commercial service. A large part of the time these cars are used in commercial service. Should not this class of equipment be treated as traffic cars?

Answer. If for a majority of the time the cars are used in commercial service they should be classified as commercial cars, regardless of the nature of the cars themselves.

CASE 48.

Query. Should charges to operating expenses be made for depreciation on equipment under a car trust which has not been fully paid for and to which the title has not been acquired?

Answer. Depreciation charges should be set up on such equipment as soon as it enters the service of the carrier.

CASE 49.

Query. As cars and locomotives will be broken up or set aside on different days of the month, and as new purchases will be made on various days within the month, it is going to be practically impossible to keep any accurate account of depreciation according to days or

if desired. In such case the names and descriptions of the subaccounts must be filed with the Interstate Commerce Commission. (*See Case 106.*)

CASE 41.

Query. To what account should be charged cost of cleaning car-cleaning yards (an expense resulting from the cleaning of cars)—to "Roadway and Track" or to "Train Supplies and Expenses?"

Answer. "Roadway and Track," under Maintenance of Way and Structures.

CASE 42 (*amended*).

Query. To what account should be charged the expense of bonding rails in connection with signals and interlocking systems?

Answer. If the work is done during construction period, the cost should be charged to account No. 16, "Interlocking and other Signal Apparatus" in the Classification of Expenditures for Road and Equipment. When chargeable to operating expenses, it should be charged to account "Signals and Interlocking Plants," under Maintenance of Way and Structures. If a part of additions and betterments work, to appropriate accounts in the Classification of Expenditures for Additions and Betterments.

CASE 43.

Query. In reference to revenue and expense of commercial telegraph lines, please advise if we should include under that heading revenue and expenses from commercial telephone lines?

Answer. Revenues and expenses of commercial telephone lines should be treated the same as the revenues and expenses of commercial telegraph lines.

See Supplement, effective on July 1, 1908, to the Classification of Operating Expenses for Steam Roads, Third Revised Issue. See also Supplement, effective on July 1, 1908, to the Classification of Operating Revenues for Steam Roads, First Issue; and also Classification of Revenues and Expenses for Outside Operations for Steam Roads, First Issue, effective on July 1, 1908.

CASE 44.

Query. Third Revised Issue of the Classification of Operating Expenses, page 33, "Other Expenses" (subdivision of "Buildings, Fixtures, and Grounds"), reads:

"Cost of material used (less salvage) in repairing and renewing transfer tables," etc.

Should not the words "and labor expended" be inserted immediately preceding the word "in?"

Answer. The labor should follow the material, therefore the rule should be construed as suggested in the question.

CASE 45.

(Canceled.)

CASE 46.

Query. Should not the word "operation" in the phrase "operation of joint facilities" in the notes on pages 40 and 58 of the accounts covering maintenance of joint tracks, equipment, etc., read "maintenance," and shall we so construe it?

Answer. The word "operation" is used in its broad sense, and should be construed to embrace maintenance or any other element of operating expense covered by such bills for joint operation.

CASE 47.

Query. It is observed that no provision is made in text for account "Freight-Train Cars—Repairs" for repairs to work-cars used in commercial service. This company owns a large number of cars which it classifies as "ballast" cars, and which we constructed with the purpose of using in either work or commercial service. A large part of the time these cars are used in commercial service. Should not this class of equipment be treated as traffic cars?

Answer. If for a majority of the time the cars are used in commercial service they should be classified as commercial cars, regardless of the nature of the cars themselves.

CASE 48.

Query. Should charges to operating expenses be made for depreciation on equipment under a car trust which has not been fully paid for and to which the title has not been acquired?

Answer. Depreciation charges should be set up on such equipment as soon as it enters the service of the carrier.

CASE 49.

Query. As cars and locomotives will be broken up or set aside on different days of the month, and as new purchases will be made on various days within the month, it is going to be practically impossible to keep any accurate account of depreciation according to days or

fractions of a month. I would therefore ask what rule should be followed in making the monthly entries for "Depreciation" in case of equipment retired or purchased on various days within that particular month?

Answer. A full month's depreciation charge should be set up on all equipment in service on the first day of the month. Equipment coming into service after the first day of the month may be ignored in the depreciation charges for that month.

CASE 50.

(Canceled.)

CASE 51.

(Canceled.)

CASE 52.

Query. Is it correct for a switching road, whose cars seldom leave its own line, to charge to account "Hire of Equipment" the amount paid to other companies for the use of their equipment?

Answer. Yes.

CASE 53.

Query. To what account should we credit a bill made for engines and cars loaned at a daily rate to a contractor on construction work?

Answer. It should be credited to account "Hire of Equipment."

CASE 54.

Query. What is meant by the item near the top of page 43, "Special service, such as bringing locomotives to shops or watching them while on the way to shops for repairs" included in account "Steam Locomotives—Repairs?" Does this "special service" cover only the service of extra employees engaged in this connection, or does it include the pay of the engineer and fireman as well as additional employees engaged in the said "special service?"

Answer. By "special service" is meant the pay of engineers, firemen, and other employees bringing locomotives in need of repairs to shops or watching them pending their removal to or from shops. The pay of engineers and firemen on locomotives disabled in road service when able to complete the run to the terminal should be charged to "Road Enginemen." Consideration should be given in this connection to the account "Clearing Wrecks."

CASE 55.

Query. Classification of Operating Expenses, Third Revised Issue, page 47, under accounts "Passenger-Train Cars—Renewals" and

"Passenger-Train Cars—Depreciation," excludes parlor and sleeping cars, the operations of which are treated as Outside Operations. To what account should be charged renewals and depreciation of parlor and sleeping cars, the operation of which is treated in Outside Operations?

Answer. The two accounts **"Passenger-Train Cars—Renewals"** and **"Passenger-Train Cars—Depreciation"** should be interpreted to correspond to the account **"Passenger-Train Cars—Repairs,"** which excludes the general or shop repairs of parlor and sleeping cars whose operations are treated as Outside Operations.

See Supplement, effective on July 1, 1908, to the Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 56.

Query. At various junctions on our lines, a system of joint car inspection is in force, our line paying the total expenses and rendering bills against other lines interested. Should this expense be charged to **"Freight-Train Cars—Repairs"** by line carrying men on its rolls and same account credited for bills rendered?

Answer. Yes.

CASE 57.

Query. Do the two accounts following **"Electric Equipment of Cars—Repairs,"** on page 49, Classification of Operating Expenses, refer to electrically propelled cars?

Answer. They do.

CASE 58.

Query. (a) Does the account **"Power Plant Equipment"** apply only to power plants for generating power for propulsion of locomotives, trains, and cars, or does it include the electric equipment in an electric power plant used for other purposes? (b) If intended to cover only power plants for propulsion of locomotives, trains, and cars, to what account should be charged electric machinery, with appliances, in a separate power plant used for operating machinery in shops, when used for shop purposes only?

Answer. (a) Applies only to power plants for generating power for propulsion of locomotives, trains, and cars.

(b) When chargeable to operating expenses the cost should be charged to **"Shop Machinery and Tools."**

CASE 59.

Query. (a) Referring to accounts, **"Power Plant Equipment"** and **"Operating Power Plants,"** in the Classification of Operating Expenses, does **"Power-Plant Equipment"** under Maintenance of Equip-

ment cover the maintenance of power plants at shops generating electricity for running equipment, or is the account intended to cover the cost of maintaining power plant used to furnish electricity to electric railways only? (b) If the latter, should the cost of operating power plant in furnishing electricity for operating machinery be charged to account "Shop Machinery and Tools?"

Answer. (a) It is restricted to power plant furnishing current for propulsion of locomotives, trains, and cars.

(b) The cost of operating power plant furnishing current for operating shop machinery should be charged to the clearing account "Shop Expenses."

CASE 60.

Query. Should the cost of power at shops be charged to clearing account "Shop Expenses?"

Answer. Yes; the cost of power for all shop purposes should be charged to this account.

CASE 61.

Query. The text for clearing account "Store Expenses" provides that the account should be closed out at the end of the year. Should not a balance representing cost of handling material in stock at end of year be carried over to the next year?

Answer. No.

CASE 62.

Query. To what account should be charged the salaries of chief special agents and their assistants who have police powers and have charge of yard watchmen, of employees investigating robberies and other depredations, and the preparation of evidence to be used in court cases where arrests have been made by the company?

Answer. To "Superintendence," under Transportation Expenses. Attention is called to note under this account.

CASE 63.

Query. To what account should be charged the pay of telegraph operators located at towers, whose duties are to receive orders from dispatchers, in connection with train movement, and deliver them to engineers and conductors?

Answer. To "Dispatching Trains."

CASE 64.

Query. At certain stations no regular agent is employed, but a local storekeeper or the postmaster acts in that capacity, being paid a com-

mission based on tickets sold and on local freight charges on shipments handled at such stations. To what accounts are such commissions chargeable?

Answer. To "Station Employees."

CASE 65.

Query. To what account should be charged the payments to warehouse companies or contractors for loading or unloading freight under contract or otherwise?

Answer. To "Station Employees," if not in connection with Outside Operations.

CASE 66.

Query. We note in Classification of Operating Expenses, effective July 1, 1907, page 64, "Station Employees," that "Labor at Stations" includes employees at coal-dock terminals. Page 65, "Coal and Ore Docks," includes pay of employees at coal and ore docks. Is there not an apparent conflict and should there not be some explanation?

Answer. This matter is covered by note at top of page 65 of the official Classification of Operating Expenses, Third Revised Issue.

CASE 67.

Query. In reference to stock yards and the Classification of Operating Expenses: "Station Employees" includes "loading, unloading, feeding, and watering stock, labor at stock yards (other than repairs):" the account "Station Supplies and Expenses" includes "feed and water for stock when carrier is responsible;" the account "Stock Yards and Grain Elevators" includes "pay of employees and cost of supplies and all other expenses incurred in operating stock yards or grain elevators which are not operated as Outside Operations. Kindly advise us what class of expenses in connection with stock yards we should charge to "Station Employees" and "Station Supplies and Expenses" and what to "Stock Yards and Grain Elevators."

Answer. The words "stock yards" under "Station Employees" refer to stock pens. "Stock Yards and Grain Elevators" under Transportation Expenses is eliminated from official Classification of Operating Expenses, as the expenses enumerated thereunder when not chargeable to "Outside Operations" are provided for under "Station Employees" and "Station Supplies and Expenses."

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 68.

Query. To what account should be charged the cost of supplies used in switch lamps at points where no regular switching service is maintained?

Answer. To account "Station Supplies and Expenses."

CASE 69.

Query. To what account should be charged expenses of engines and crews engaged in assembling loads from mines at points of concentration and distributing empties to mines?

Answer. If freight is billed from the point of concentration, the expense of handling the cars between the mines and this concentrating point should be charged to the appropriate yard service accounts. If, however, the freight is billed from the mines, then the entire service should be classed as road service.

CASE 70.

Query. A train leaves A for B, a distance of 9 miles, taking passenger coaches with passengers from A to B; then goes from B to four other stations farther up the line, does the necessary switching, and returns to B in the evening to take the passenger train back to A. The maximum time consumed in the passenger run between A and B is two hours and the switching service is about eight hours, but at practically only one of the points is the switching service over an hour a day in duration. How should the service of this locomotive be classified and its mileage divided?

Answer. Expenses of a road locomotive doing switching only incidentally should be classified as road service, and mileage divided between road and switching service, by allowing road service full mileage between terminals and computing mileage for switching service in accordance with text and note under account "Switching Locomotive-Miles" in Classification of Locomotive-Miles, etc.

CASE 71.

Query. A train leaves C in the morning, makes a trip to D, 30 miles distant, and switches at that point about eight hours, then brings the train back to C. How should the service of the train crew be divided?

Answer. Expenses should be divided on basis of service performed.

CASE 72.

Query. We have, as does practically every other railroad company, way-freight and pick-up trains, on which a crew will be allowed prac-

tically twice as much pay as the ordinary road crew and the service will be about twice as expensive, owing to the switching performed at various points on the line. Is it proper to charge the extra expenses to road service?

Answer. Yes.

CASE 73.

Query. To what accounts should be charged the wages of motormen operating a gasoline motor car intended to be used for passenger service between two stations where it is not practicable to have daily train service; also to what account should be charged supplies furnished this car?

Answer. Wages of employees engaged in running revenue-service locomotives or motor cars other than electric should be charged to "Road Enginemen."

Cost of fuel and other supplies furnished to the motor cars in revenue service should be charged the same as cost of fuel and other supplies for road locomotives; the repairs to the locomotive feature of such cars should be charged to "Steam Locomotives—Repairs," and the repairs to the car feature should be charged to "Passenger-Train Cars—Repairs."

CASE 74 (amended).

Query. A railway company is furnished by a connecting line with a tank of water and has its locomotive turned. The connecting line makes a charge for the water of 50 cents, turning of locomotive 50 cents, and temporary use of track \$1. Should this expense be charged to "Train Supplies and Expenses?" If not, how should it be distributed?

Answer. If not supplied as part of a joint facility, water should be charged to "Water for Road Locomotives," turning of locomotive to "Enginehouse Expenses—Road," and temporary use of track to "Train Supplies and Expenses." Amount received for water should be credited to "Water for Road Locomotives," amount received for turning locomotive credited to "Enginehouse Expenses—Road," and amount received for temporary use of track to revenue account No. 19, "Miscellaneous."

CASE 75.

Query. To what account should be charged fuel for sand driers?

Answer. To account "Other Supplies for Road Locomotives," in accordance with the text of that account.

CASE 76.

Query. To what account should be charged the cost of labor and material expended in lubricating switches and signals?

Answer. To "Interlockers and Block and Other Signals—Operation," except at terminals, when the labor should be charged to "Yard Switch and Signal Tenders," and the material to "Yard Supplies and Expenses."

See Supplement, effective on July 1, 1908, to the Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 77.

Query. To what account should be charged penalties imposed for failure to furnish cars under reciprocal demurrage laws?

Answer. To "Other Expenses" under Transportation Expenses.

CASE 78.

Query. To what account should be charged payments for damages for ejection of passengers from train?

Answer. To "Injuries to Persons" under Transportation Expenses.

CASE 79 (amended).

Query. To what account should be charged payment for damages because of failure of passenger train to stop at station to pick up passenger?

Answer. If the award of damages is based upon a property loss, to "Other Expenses," under Transportation Expenses; if because of personal injuries sustained, to "Injuries to Persons."

CASE 80 (amended).

Query. To what account should be charged amounts paid for switching passenger equipment?

Answer. To appropriate revenue accounts when in revenue service; to "Other Expenses," under Transportation Expenses, when in non-revenue service.

CASE 81 (amended).

Query. To what account should be charged switching charges paid other carriers for moving empty freight equipment, as follows:

(a) When delivered to a connecting carrier to be placed for loading, for which a charge is exacted in addition to that made for returning the car loaded.

(b) When delivered to a connecting carrier to be placed for unloading, and when the empty is returned, a charge is made therefor in addition to that made for the movement of the load.

(c) When equipment, under load, has been switched to a designated point by a connecting carrier for a consideration and the car has been unloaded, it is then ordered switched to another industry in the yards of the switching carrier to be loaded for a point on the line of the carrier which made delivery to the switching carrier in the first instance, a charge being made for the movement of the empty, in addition to that made for delivering the car when loaded to the carrier for which it was received in the first instance.

(d) When a carrier, instead of maintaining facilities for performing the switching service, for which it makes no specific charge, hires some one else to do it in lieu of doing the work itself.

Answer. To revenue account No. 1, "Freight Revenue."

CASE 82.

Query. Are salaries and expenses of president and his clerks and assistants to be charged to General Expenses, or distributed to Maintenance of Way and Structures, Maintenance of Equipment, Transportation Expenses, Traffic Expenses, and General Expenses?

Answer. If the president is also directly in charge of the departments usually supervised by officials named in the accounts "Superintendence" under Maintenance of Way and Structures, Maintenance of Equipment, Traffic Expenses, and Transportation Expenses, his salary and expenses and those of his clerks and assistants should be apportioned as set forth in Note B under the account "Salaries and Expenses of General Officers" under General Expenses. If the president has, as is usual, only general supervision over the various departments, his salary and expenses should be charged to the account "Salaries and Expenses of General Officers."

CASE 83.

Query. How should the revenue derived from the transportation of milk be classified when handled—

(a) In solid trains which have first-class rights same as passenger trains?

(b) In trains which have accommodations for passengers?

Answer. Carriers are permitted to keep the revenue from transportation of milk in account No. 1, "Freight Revenue," and account No. 7, "Milk Revenue (on passenger trains)," provided they treat train statistics in the same class as they do these earnings.

CASE 84.

Query. Proceeds from sale of local mileage tickets are credited to Operating Revenues when sales are made. How shall such proceeds be apportioned among States, especially to States in which taxes are assessed on gross earnings?

Answer. Local mileage may be credited to account No. 2, "Passenger Revenue," as used. If this is done the apportionment can be readily made.

CASE 85 (*amended*).

Query. When a train is chartered for a guaranteed lump sum and tickets are sold to protect the guarantor against the use of the train by unauthorized passengers, should the entire amount of the guaranty, which includes the proceeds of the sale of individual tickets, be credited to account No. 10, "Special Service Train Revenue?"

Answer. Yes, unless each passenger is required to have a ticket sold at tariff rates, in which case the amount received from sale of tickets should be credited to "Passenger Revenue" and the deficit, if any, paid by the guarantor, to "Other Passenger-Train Revenue." (See Cases 221 and 222.)

CASE 86.

Query. To what account should coupons found in the covers of interchangeable mileage books returned for redemption be credited?

Answer. Unpresented coupons covering transportation for which the company has not performed service should be credited to account No. 8, "Other Passenger-Train Revenue." (See Case 261.)

CASE 87.

Query. We have an arrangement with a company operating a mine located on our line whereby they guarantee that the earnings of a certain train that we run each morning shall be equivalent to 100 tickets at 5 cents each, or \$5. If we collect over 100 tickets, that settles the matter. If we do not, we call upon them for the difference between the amount we collect and \$5. To what account should we credit this deficit which the mine is called upon to pay from time to time?

Answer. To account No. 8, "Other Passenger-Train Revenue."

CASE 88.

Query. Referring to account No. 3, "Excess Baggage Revenue," in the Classification of Operating Revenues prescribed by the Interstate

Commerce Commission, I write to inquire if it is contemplated that the revenues to be entered under this heading should be restricted to those derived from carrying baggage, packages, articles, dogs, etc., belonging to passengers, or whether it should include also revenues derived from carrying packages and other things not incident to the carrying of passengers, such as amounts paid by newspaper publishers for carrying and distributing daily papers?

Answer. Revenue derived from carrying, in baggage cars, packages and other things not incident to carrying passengers should be credited to account No. 8, "Other Passenger-Train Revenues."

CASE 89.

Query. To what account should be credited amounts of unclaimed penalty collections on train and unclaimed redeemable portions of mileage tickets and credentials?

Answer. To account No. 8, "Other Passenger-Train Revenue."
(See Case 261.)

CASE 90.

Query. A mining company guarantees a certain amount of revenue on passenger trains. To what account should deficit paid by guarantors be credited?

Answer. The deficit collected from the guarantors should be credited to account No. 8, "Other Passenger-Train Revenue."

CASE 91 (amended).

Query. Will switching include the amount received for a short movement between, say, two sidings within the territory under the control of one agent?

Answer. Yes, provided the movement is as described in the text of account "Switching Revenue."

CASE 92.

Query. To what account should charges for reconsigning and milling in transit be credited?

Answer. When a charge for milling in transit or reconsigning is made in connection with or as a part of the through rate, such charge should be credited to account No. 1, "Freight Revenue;" but when the charge made is additional to the through rate and can not be considered as any portion thereof, it should be credited to account No. 11, "Miscellaneous Transportation Revenue."

CASE 93.

Query. An industrial company guarantees that its monthly payments for freight shall not be less than a certain minimum. In the event of a deficit, which is collected by the railway company, to what account should collection be credited?

Answer. To account No. 11, "Miscellaneous Transportation Revenue."

CASE 94.

Query. To what account should charges for "Stop Off" be credited?

Answer. Where a charge for stop-off privilege is made in connection with or as a part of the through rate, such charge should be credited to account No. 1, "Freight Revenue;" but when the charge is additional to the through rate and can not be considered as any portion thereof, it should be credited to account No. 11, "Miscellaneous Transportation Revenue."

CASE 95.

Query. To what account should be credited receipts for service rendered by a commercial telephone line?

Answer. To revenue account No. 17, "Telegraph and Telephone Service." (See Case 43.)

CASE 96.

Query. With reference to the new Classification of Operating Expenses, I shall be obliged if you will give me your interpretation of a contract which we have recently made with a lumber and manufacturing company under which we gave that company the right to operate their logging trains over a portion of a gravel-pit track. In view of the fact that the lumber company is not a common carrier and will not report to the Commission, is it desired that the rent which covers in a lump sum the rent and maintenance should be treated under the Income Account as a rent or should a portion of the amount be credited to Maintenance of Way and Structures account "Maintaining Joint Tracks, Yards, and Other Facilities—Cr.?"

Answer. Such revenue should be credited to revenue account No. 18, "Rents of Buildings and Other Property."

CASE 97.

Query. To what account should be credited rent of space for lunch counter in passenger station?

Answer. To account No. 18, "Rents of Buildings and Other Property."

CASE 98.

Query. What appropriate accounts are meant by last two words in note under account No. 19 of Classification of Operating Revenues?

Answer. The words "appropriate accounts" refer to the proper joint-facilities accounts in Operating Expenses and rent accounts under Income Account.

CASE 99.

Query. To what account should be credited the amount of commissions received by the carrier for collecting premiums on insurance policies, etc., from employees?

Answer. To account No. 19, "Miscellaneous."

CASE 100.

Query. In Classification of Expenditures for Road and Equipment is it contemplated that account No. 1, "Engineering," shall include the salaries of engineers specially employed to work on plans for steel bridges, docks, and wharves?

Answer. Yes.

CASE 101.

Query. Is it permissible to charge discount on bonds sold for construction purposes to account No. 47, "Interest and Commissions" in the Classification of Expenditures for Road and Equipment?

Answer. No. (See Case 19.)

CASE 102.

Query. Account No. 7 of the Classification of Expenditures for Road and Equipment reads in part, "and other ties and railway crossing timbers." Are not railway crossing timbers also provided for in account No. 15, "Crossings and Signs?" To which account should such timbers be charged?

Answer. Account No. 15, "Crossings and Signs," does not refer to railway crossings.

CASE 103.

Query. We note that the Classification of Locomotive-Miles, Car-Miles, and Train-Miles, as prescribed by the Interstate Commerce Commission, makes no provision for the distribution of mixed-train mileage as between passenger and freight.

In the preliminary publication, Association Bulletin No. 26, page 84, there was a paragraph which covered this feature. Was the omis-

sion in the official publication intentional? And, if so, upon what basis is the distribution to be made?

Answer. So far as the Classification is concerned, no division is necessary. For the purposes of the annual report to the Interstate Commerce Commission the matter is covered by a rule in the official report form.

CASE 104.

Query. Is a train delivering ballast from point of origin to point where work of spreading ballast begins to be considered as a work train throughout, or as company's material train while under running orders from point of origin to point of delivery, and as a work train during the actual delivery of ballast?

Answer. Such a train is a work train from the point of origin until it returns, irrespective of the fact that for a portion of the distance it operates under running orders. See paragraph 3, page 17, of the Classification of Locomotive-Miles, etc.

CASE 105.

Query. Section 5, under the heading "Rules for Computing Train-Miles," on page 17 of the Classification of Locomotive-Miles, Car-Miles, and Train-Miles, reads as follows:

"Mileage of trains detoured over foreign roads when hauled by the locomotives and handled by the crews of the home company should be computed on a basis of miles actually run and classified by the detouring line in its train mileage," etc.

Do the words "detouring line" in the above clause mean the home line or the foreign line?

Answer. "The detouring line" means the home company whose train is detoured.

CASE 106.

Query. Are carriers at liberty to set up depreciation accounts for the primary accounts under the general account Maintenance of Way and Structures?

Answer. No depreciation accounts have been prescribed by the Interstate Commerce Commission except those affecting the seven classes of equipment specifically named. It is recognized, however, that other classes of railway property are subject to depreciation, and carriers are permitted to set up subprimary accounts covering depreciation, provided that in so doing their accounts conform to the

provisions of the order, dated June 3, 1907, prescribing the Classification of Operating Expenses, Third Revised Issue. In such cases the names and descriptions of such subaccounts must be filed with the Interstate Commerce Commission. (*See Case 32.*)

CASE 107.

Query. Is it the intention of the Commission that carriers may charge a certain percentage of depreciation on the original cost of equipment, regardless of where the equipment when new was charged, and regardless of the amount written off for depreciation, or may carriers accept the present book value of equipment as the basis of the depreciation charges?

Answer. Depreciation should be charged on all the equipment in service on July 1, 1907, regardless of where charged when new, according to the rules laid down in paragraph 3, page 10, of the Classification of Operating Expenses, Third Revised Issue.

CASE 108.

(Canceled.)

CASE 109.

Query. What rate per cent should be charged as depreciation on the several classes of equipment for which depreciation charges are required?

Answer. The Classification of Operating Expenses promulgated by the Commission does not state the specific per cent to be charged for depreciation on any class of equipment, for the reason that the conditions under which equipment is used vary so greatly that no uniform rate of depreciation for all roads could be reasonably determined. The proper rate will, of course, vary inversely with the life of the property to which it is to be applied, and in determining the rate consideration must be given to whatever affects the life of the property. Each reporting officer should determine the rate to be used according to such experience tables as he may be able to construct from equipment records.

CASE 110.

Query. Should a carrier charge the total cost of new freight-train cars to Additions and Betterments, disregarding any balance there may be to the credit of "Freight-train Cars—Replacement?"

Answer. Yes. Under the Classification of Expenditures for Additions and Betterments effective on July 1, 1909, no charges are to be made to Replacement accounts for equipment bought.

CASE 111.

Query. With all railroads it is quite necessary to have what perhaps might be termed an "Open Bill" account to take care of bills due from individuals and others for work performed either in the transportation or some other department rather than to credit such bills when made to different operating accounts. Is it permissible to continue such an account?

Answer. Such an account may be continued, provided it does not infringe upon any of the prescribed accounts.

CASE 112.

Query. The official Classification calls for a Replacement Credit account which includes depreciation and renewal of equipment. The X Railway Company is required under agreement with the Z Company to provide other equipment for that destroyed or sold or else pay the equivalent in cash to the Z Company to purchase equipment to replace that destroyed or sold. Is it permissible to keep a "Dismantled Equipment" account wherein to show the exact amount due the Z Company because of dismantled and sold equipment?

Answer. Such an account may be kept, provided it does not in any way infringe upon the accounts prescribed.

CASE 113.

Query. Donations to local fire departments along the line of our road for their services in assisting at fires have been charged to "Other Expenses," under General Expenses, on account of the services rendered covering buildings, equipment, and other property. Is this proper?

Answer. Yes.

CASE 114.

Query. Our company acquires the right to enter upon certain land and remove ballast. Should an account called "Operations of Gravel Pit at ———" be opened to cover this?

Answer. The amount paid for the rights should be charged to a clearing account, which may be designated as indicated.

CASE 115.

Query. At what time in the construction of a road is it required that the accounts be changed from Classification of Expenditures for Road and Equipment to Classification of Operating Expenses and Classification of Operating Revenues?

Answer. Accounting according to the Classifications of Operating Revenues and Operating Expenses should begin with respect to any particular portion of a road as soon as that portion has reached such a stage of completion that the commercial operations are the main portion of the business carried on over such portion; that is to say, so long as the commercial operations are only incidental, it is not required that they be treated through the accounts provided in the Classification of Operating Revenues and the Classification of Operating Expenses. It must be considered, however, that as soon as trains begin running regularly over any portion of the tracks, it is then appropriate to keep account of the disbursements and receipts for such portion of the road through the operating expense and operating revenue accounts. However, it should be understood that any expenditures for unfinished construction work should be charged to "Expenditures for Road and Equipment."

CASE 116.

Query. The A B Railway Company owns and maintains an interlocking plant at ———. The Y Z Railway Company uses this interlocking plant jointly with the A B Railway Company and pays interest rent on same and a proportion of maintenance and operation. Is it correct for the Y Z Railway to dispose of the charges as follows: Interest to "Rents Paid" under Income account; maintenance to "Maintaining Joint Tracks, Yards, and Other Facilities—Dr.;" operation to "Operating Joint Yards and Terminals—Dr.?"

Answer. Interest to "Rents Paid" under Income Account; maintenance to "Maintaining Joint Tracks, Yards, and Other Facilities—Dr.;" operation, according to location, to "Operating Joint Yards and Terminals—Dr.," or to "Operating Joint Tracks and Facilities—Dr."

CASE 117.

Query. A number of connecting lines charge this company a proportion of cost of operating joint interlockers, and credit "Maintenance of Joint Tracks," etc., and we make similar bills against other lines. Should the expense be charged and credited as above?

Answer. If these joint interlockers are located at terminals, the carrier's proportion of cost of operation, when operated by other companies, should be charged against the account "Operating Joint Yards and Terminals—Dr." If located at points other than at terminals, the proportion of cost of operation should be charged to the account "Operating Joint Tracks and Facilities—Dr.," as amended in the Supplement to the Third Revised Issue of the Classification of Operat-

ing Expenses. If bills cover expense of maintenance as well as expense of operating, the proportion of expense of maintenance should be charged against the account "Maintaining Joint Tracks, Yards, and Other Facilities—Dr." The road rendering bills should credit the corresponding joint-facilities accounts. (*See Case 275.*)

CASE 118.

Query. Other lines have rendered bills against this company for proportion of salaries and other expenses of joint agencies, which have been credited to "Joint Tracks, Terminals," etc., and we make similar bills against other companies. Is the above classification correct, or should the same be charged and credited to "Station Employees," etc.?

Answer. With regard to the treatment of salaries and other expenses of joint agencies not within the definition of "Joint Facilities" contained in Accounting Series Circular No. 14, see the paragraph at the middle of page 2 of that circular. (*See Case 193.*)

CASE 119.

Query. Where an express company pays a fixed amount annually for express privileges over a road, including facilities at stations, etc., should any part of this be applied to account No. 18, "Rents of Buildings and Other Property?" If so, how shall we arrive at the proportion?

Answer. When contracts do not provide specific separate amounts for rent of facilities at stations, the entire fixed annual compensation should be credited to Operating Revenues, account No. 6, "Express Revenue."

CASE 120.

Query. How shall payments for trackage rights be disposed of when made upon the basis of a stipulated sum per ton or per passenger, or upon the basis of a proportion of revenue accruing upon the transportation over the line covered by the trackage rights, or upon the basis of a fixed sum per year?

Answer. The payments should be apportioned by agreement of the parties into two parts, one of which is estimated to cover the maintenance and operation costs with respect to the traffic of the lessee, which portion should be passed through the appropriate joint-facilities accounts in Operating Expenses. The remaining portion should be charged by the lessee to appropriate rent accounts under Income Account and credited by the lessor to appropriate rent accounts under Income Account.

CASE 121.

Query. A carrier pays another road a certain sum per annum for trackage rights at a station, the charges being based on a percentage of the value of the property, the debtor company owning no interest in said property. To what account shall the debtor road charge the bill?

Answer. If the debtor company bears in addition to such sum its proportion of maintenance and operating charges, the percentage of value is a case of rent, and the creditor company should credit, and the debtor company should charge it to appropriate rent accounts under Income Account. Otherwise the total charge should be apportioned by agreement of the parties into two parts, one of which shall cover, and only cover, the element of operation and maintenance, this portion to be charged and credited to the appropriate joint-facilities accounts in Operating Expenses. The remaining portion is a rent, to be passed direct to the appropriate account under Income Account.

CASE 122.

Query. Should amounts paid as license fees to cities for sidings on, along, or across streets be charged to taxes or to rents?

Answer. These fees are evidently paid to the city because the railway company occupies public property. They are therefore in the nature of rents paid to a private landlord and should be charged to appropriate rent accounts under Income Account.

CASE 123.

(Canceled.)

CASE 124.

(Duplicate of Case 53.)

CASE 125.

Query. Should all payments made for hire of equipment be disposed of through the account "Hire of Equipment?"

Answer. Yes. If for any reason it is desired to show separately the particular equipment concerned in a special case, this may be done through a subaccount.

CASE 126.

Query. Is the "Hire of Equipment" account applicable to switching roads?

Answer. Yes.

CASE 127.

Query. To what account should rent of lands and other property not used in the operation of the road or in outside operations be credited?

Answer. To appropriate rent accounts under Income Account.

CASE 128.

Query. We have a bill against an estate for permission to cross our right of way with a sewer pipe, and another one against a telephone company for permission to cross over our tracks with a telephone line. How should these matters be considered? We reserve the right to revoke the permission at our pleasure.

Answer. The privileges given are mere licenses, and the receipts therefrom may properly be credited to an appropriate account under Income Account.

CASE 129.

(Canceled.)

CASE 130.

Query. The A. & B. Railway Company renders bills against other roads for transferring (switching) cars at various points, made necessary by the fault of the road billed against, such bills including actual cost of transfer and per diem or car-hire charge accruing on the car during the time of such transfer. Would it be proper to credit items of this kind to account "Hire of Equipment?"

Answer. The portions of these bills covering per diem and car-hire charge accruing on the car at time of such transfer should be credited to the account "Hire of Equipment." The remainder of the bill should be treated as a "Switching Revenue." For a case where the load has to be transferred, see Case 131.

CASE 131.

Query. Our company renders bills against other roads for transferring the lading of cars at various points, made necessary by the fault of the road billed against. A portion of each bill covers per diem and car hire accruing on the car at time of transfer, and the remainder of each bill covers, first, cost of transferring the contents, and, second, a switching charge of \$1 a car for each car handled. Please advise proper disposition of this matter.

Answer. The portions of these bills covering per diem and car hire accruing on the car at time of transfer should be credited to the account "Hire of Equipment." The portions of the bills covering the cost of

transferring the contents of cars should be credited to the operating expense account "Station Employees." The \$1 a car for switching such bad-order cars should be credited to revenue account No. 9, "Switching Revenue."

CASE 132.

Query. Will you advise to what account in the Additions and Betterments classification should be charged the payments for the company's equipment used in connection with such work? I have assumed that the credit should be given to the account "Hire of Equipment."

Answer. A fair rent of equipment used in additions and betterments work should be charged to the various additions and betterments accounts affected, and be credited to account "Hire of Equipment."

CASE 133.

Query. Our company grants the privilege to certain other railroad companies to transfer their trains over a portion of its tracks, for which we charge a certain rate per car. These trains are not handled by the locomotives of our company, but we maintain and repair the tracks over which the trains move. How shall we treat this revenue?

Answer. The portion of the track referred to is a joint facility and amounts received for its use should be treated in accordance with the rule indicated in Case 17.

CASE 134.

Query. This company has an arrangement with several lumber firms whereby they pay us a fixed amount per car as trackage privilege for allowing them to transport with their own equipment and crews cars of logs destined to their mills. Upon the greater part of this service no operating expense accrues to the road other than wear and tear of track. How should this revenue be treated?

Answer. Should be credited to revenue account No. 18, "Rents of Buildings and Other Property."

CASE 135.

Query. In operating certain ore docks locomotives are employed in switching or spotting the ore cars, and for no other purpose. How should these ore docks, so far as the expense is concerned, be treated? Should the mileage of the locomotives be taken into "Switching Locomotive-Miles?"

Answer. The expenses of the ore dock should be charged to account "Coal and Ore Docks" under Transportation Expenses. Mileage of locomotives should be taken into "Switching Locomotive-Miles."

CASE 136.

Query. We operate a number of restaurants at various points on our line for the purpose of furnishing meals to patrons of the road. Recently we leased some of these restaurants at a nominal consideration, the lessee to have all receipts and pay all expenses, except that our company is to furnish coal and ice. We treat the restaurants operated by the railway company as outside operations, and it is our intention to treat these expenditures for coal and ice for the leased restaurants as outside operations. May we do so?

Answer. Such leased restaurants are not operations as defined in the Introductory Letter to Classification of Revenues and Expenses for Outside Operations; i. e., no service is operated at them by the carrier; and therefore the cost of coal and ice furnished the lessee should not be charged to Outside Operations, but should be charged to Operating Expenses, account No. 66, "Station Supplies and Expenses."

CASE 137.

Query. We would like to have an illustration of what should be termed a rail-line expense in connection with floating equipment as provided in the text to the account "Operating Floating Equipment," under Transportation Expenses, page 78 of the official Classification, in order to distinguish between that account and the Outside Operations account.

Answer. The account "Operating Floating Equipment" under Transportation Expenses is designed to cover the cost of operating floating equipment operated in connection with the carrier's transportation operations, such as car ferries, in lieu of a bridge or tunnel, etc.

CASE 138.

Query. Sleeping cars are not listed among the cars classified as passenger-train cars in Note A under the account "Passenger-Train Cars—Repairs." Please advise if this was an omission or if it was the intention to make some other disposition of the case of repairs to sleeping cars.

Answer. Sleeping cars were omitted from the list of passenger-train cars because they should be treated as outside operations. All general or shop repairs to sleeping cars should be treated through Outside Operations; ordinary running repairs being charged to "Passenger-Train Cars—Repairs."

CASE 139.

Query. When our right-of-way agents purchased the right of way for our line we were compelled to buy a number of houses in order to get

the lots through which our line was expected to run. When grading was commenced these houses were removed from the right of way thus purchased. As soon as we came into possession of these houses we rented them and have always reported such earnings in the Miscellaneous Income account in our annual report to the Interstate Commerce Commission. In the official Classification of Operating Revenues I fail to find any provision made for such income in accounts Nos. 18 and 19. The houses that I have reference to are in no way used in the operation of the road. Please advise to what account such earnings should be credited.

Answer. Rents received from rent of buildings and other property not included in the operation of a road should be credited to an appropriate rent account under Income Account.

CASE 140 (*amended*).

Query. This company purchased property, apart from right of way, upon which to erect a dwelling for the occupancy of the superintendent of motive power, taking the title thereto in the name of our vice-president, who filed with us a declaration of trust. How shall we classify this expenditure?

Answer. This expenditure should be charged to account No. 6, "Other Permanent Investments," as provided in Form of General Balance Sheet Statement.

CASE 141.

Query. We own several houses not on the right of way of the company and are in doubt as to which account should be credited with these rents. Please inform us.

Answer. Rents received from rent of buildings and other property not included in the operation of a road should be credited to an appropriate rent account under Income Account.

CASE 142.

Query. I note in Outside Operations that "Cold-Storage Plants" covers the operations of railway cold-storage plants for the use of which specific charges are made or allowances included in through rates. We charge tenants in our warehouses a stated price per cubic foot per annum for refrigeration. Should this amount be credited to "Cold-Storage Plants?"

Answer. If the refrigeration operations can be treated satisfactorily as an outside operation—that is to say, if a fairly accurate determination of the cost of maintaining and operating such refrigeration operations

can be made—the amounts charged tenants for refrigeration in warehouses should be credited to Outside Operations—“Cold-Storage Plants.”

CASE 143.

Query. We have tug and barge lines carrying coal from Z Harbor to points on the Y coast. May these be treated as outside operations; and if so, in which of the accounts proposed?

Answer. Yes; through Outside Operations—“Boat Lines.”

CASE 144 (*amended*).

Query. To what account should be credited Other Track Material taken up, such as scrap angle bars, frogs, etc.?

Answer. Should be credited to the cost of the work in connection with which it is taken up.

CASE 145.

Query. Where 63-pound rail is replaced with new 80-pound rail and 56-pound rail in another main line is replaced with the 63-pound rail released by the new rail, is the betterment the difference between the 80-pound rail and the 56-pound rail finally released?

Answer. Yes; so far as the question of weight is a factor in determining the amount of betterment. See text of account No. 8, “Increased Weight of Rail” in the Classification of Expenditures for Additions and Betterments.

CASE 146.

(Refers to additions and betterments. See *Accounting Series Circular No. 12c.*)

CASE 147 (*amended*).

Query. Is it proper to charge betterments to locomotives to the account “Locomotives—Replacement?” What I have particular reference to is the equipping of some of our freight locomotives with electric headlights.

Answer. No. All additions and betterments to equipment should be charged to the appropriate equipment account in the Classification of Expenditures for Additions and Betterments.

CASE 148.

(Refers to additions and betterments. See *Accounting Series Circular No. 12c.*)

CASE 149.

Query. We frequently have assessments against company's property for street paving, sidewalks, curbs, sewers, etc. Is not this properly a charge to appropriate Additions and Betterments accounts?

Answer. No. Such charges are provided for by the Classification of Operating Expenses, Third Revised Issue.

CASE 150.

Query. I do not find any provision made in the Classification of Expenditures for Additions and Betterments for railroad track scales. Shall these be charged to account No. 29, "Miscellaneous Structures?"

Answer. Yes.

CASE 151.

Query. Our road is operated to bring ore from mines and carry supplies to those mines. Shall all improvements be charged to Operating Expenses?

Answer. No. Division must be made between operating expense and additions and betterments accounts with regard to improvements; that is to say, all expenditures for real improvements and additions to the property must be excluded from operating expense accounts.

CASE 152.

(Refers to additions and betterments. *See Accounting Series Circular No. 12c.*)

CASE 153.

Query. What account should be charged with obsolete material which is taken out of stock and sold as scrap?

Answer. The loss on such material should be adjusted in the next inventory account. (*See Case 9.*)

CASE 154.

Query. Our organization includes a stationer and a small force who, under the jurisdiction of the purchasing agent, buy the stationery supplies, distribute same on requisitions, and keep the stationery stock. To what account should the salaries be charged?

Answer. The stationer and his force bear the same relation to "Stationery and Printing" that the storekeeper and his force do to "General Stores," and their salaries should be treated through a clearing account analogous to "Store Expenses."

CASE 155.

Query. Note B, under "Ties," page 24 of the official Classification of Operating Expenses, reads as follows: "This account may include each month a proportion of the total amount authorized or approximated for renewals during the fiscal year, regardless of the month in which the actual renewal is made." Are we authorized to handle in the same way our charges to "Injuries to Persons," "Stationery and Printing," and "Loss and Damage?" On account of the fluctuating charges to the above accounts we have, in the past, been making an estimated charge each month, adjusting the total at the end of the year to an actual basis for the twelve months. This has been done by running the items through a suspense account. The actual charges to these accounts vary to a large extent. For instance, we may have a charge to "Injuries to Persons" in one month of \$25,000 and the next month of but \$3,000.

Answer. The method proposed above for handling charges to "Injuries to Persons," "Stationery and Printing," and "Loss and Damage" accounts is satisfactory, provided that the charges be adjusted annually. Reserves should be held until liabilities for which they were created are liquidated.

CASE 156.

Query. The general manager of this company has supervision over all departments; he is also purchasing agent. Should a portion of his salary be charged to "Store Expenses" and the remainder be divided equally among the five general accounts?

Answer. Where the general manager of a company has supervision over all departments and also acts as purchasing agent, his salary should be divided equally among the general accounts in accordance with Note B on page 22 of the Classification of Operating Expenses.

CASE 157 (*amended*).

Query. We put in a great number of sidings and spur tracks each year to serve mines and lumbermen, which tracks are only temporary. We have been charging all new track material, such as rails, angle bars, and switches, direct to Property account, and the ties, spikes, labor of grading, track laying, and surfacing to Operating Expenses when the track is put in. If old rails, angle bars, and switches are used no charge is made. We now ask to be allowed to charge the cost of such temporary tracks (except track material) direct to Operating Expenses. Is this permissible?

Answer. The first cost of sidings and spur tracks should be charged to additions and betterments accounts. When moved or taken up, the cost of sidings or spur tracks should be handled in accordance with the Classification of Expenditures for Additions and Betterments, the idea being that the Property accounts should at all times represent the actual investment.

CASE 158.

Query. In the business of transporting ore from mines a company is continually obliged to install mine tracks at mines to reach stock piles and ore bodies, these tracks being continually relocated and removed. How shall we consider the cost of installing and changing these tracks, and may we establish new primary accounts to cover this?

Answer. It is proper to consider the cost of relocating and changing these tracks to stock piles and ore bodies an operating expense. It is not permissible to set up new primary accounts. Subprimary accounts under the various primary accounts promulgated may be set up in accordance with the order of the Interstate Commerce Commission of June 3, 1907, relative thereto. (See Case 157.)

CASE 159.

Query. Referring to primary accounts "Maintaining Joint Tracks, Yards, and Other Facilities—Dr." and "Maintaining Joint Tracks, Yards, and Other Facilities—Cr.," and so on, does the word "joint" indicate joint ownership of the property?

Answer. No. The word "joint" indicates merely joint benefit and does not require joint ownership.

CASE 160.

Query. The A B Railway Company owns a certain mileage, 21 miles of which is operated jointly with the X Y Railway Company. Formerly the A B Company made all pay rolls, etc., on its blanks, billing against the X Y Company for its proportion of maintenance and operation on a wheelage basis. Later, on account of change of location of certain of the X Y Company's offices, it operated this joint territory and billed against the A B Company for its proportion of cost of maintenance and operation on a wheelage basis. The A B Company heretofore billed against the X Y Company for its proportion of the rent, based on the interest on one-half of the cost of the property used jointly. How shall this matter be disposed of on the present basis?

Answer. The detailed accounting for the operating expenses of this particular portion of tracks should be carried through the operating expense accounts of the X Y Railway Company, and the A B Railway Company's portions of these charges be credited by the X Y Company to the joint-facilities creditor accounts and charged by the A B Company to the like-named debtor accounts. The interest upon one-half of valuation is a rent to be carried direct to Income Account.

CASE 161.

Query. A carrier pays another road a monthly proportion of expenses of operating and maintaining a station and yards, the debtor company owning none of the property. To what account should the debtor charge the bill?

Answer. The operating carrier should credit the monthly proportion of expenses of operating and maintaining station and yards to the appropriate joint-facilities accounts and the debtor company should charge to the like-named debtor accounts. The maintenance account will be "Maintaining Joint Tracks, Yards, and Other Facilities;" the operating account will be "Operating Joint Yards and Terminals."

CASE 162.

- *Query.* According to the Classification of Operating Expenses, is it proper to charge to renewals only the authorized or approximated amounts for renewals during the fiscal year, or are we allowed to handle this account in such manner as to provide for a period beyond the fiscal year?

Answer. Operating Expenses of any fiscal year should bear only such portion of appropriations for renewals as is necessary to provide for exact maintenance during that year. They should not be charged with any amount the expenditure of which goes to improve the property, or to provide for maintenance during later years.

CASE 163.

Query. Note A, under "Ballast," page 23 of the Classification of Operating Expenses, states that the cost of loading cinders at ash pits should be charged to account "Enginehouse Expenses—Yard," or "Enginehouse Expenses—Road." I presume that this note contemplated that the cinders would be loaded by enginehouse employees, while, as a matter of fact, the loading is often done by roadway employees. In case where this labor is performed by the roadway department, will it not be permissible for us to charge the expenses to "Ballast" instead of to "Enginehouse Expenses?"

Answer. No; the charge should be made to "Enginehouse Expenses."

CASE 164 (*amended*).

Query. If a trackman is injured by a freight or passenger train, should the expense or settlement of that injury be charged to "Maintenance of Way—Injuries to Persons," or "Transportation Expenses—Injuries to Persons?"

Answer. To "Injuries to Persons," under Transportation Expenses.

CASE 165.

Query. If a prospective passenger at a station should be injured by a work train, would that charge be to "Maintenance of Way—Injuries to Persons," or "Transportation Expenses—Injuries to Persons?" In other words, should not the class of the train doing the damage determine the charge?

Answer. It should.

CASE 166.

(Canceled.)

CASE 167.

Query. The principal business of this company consists of handling ore and coal during the lake navigation season, and the bulk of our earnings accrue in the period April 1 to November 30, inclusive. It has been our practice in the past with respect to the distribution of arbitrary charges affecting our income, such as interest on bonds, etc., to charge out the accruals for the year in the eight months' period above specified and make no charges for the same during the months December, January, February, and March, during which period our earnings are comparatively very small. Will it be proper to continue this practice with respect to the depreciation charges—that is to say, for the balance of this year may we absorb in the five months, July 1 to November 30, one-half of the annual amount to be set aside in the replacement funds, instead of spreading the same through the six months, and for the annual depreciation charges for 1908 begin taking care of the same in the month of April?

Answer. It will be improper to distribute depreciation charges for the year arbitrarily among the months specified. The depreciation charge is not an arbitrary charge. It is a charge to Operating Expenses designed to cover the consumption of plant incident to operation. This consumption of plant, while probably greatest during the portions of the year in which the transportation operations are heaviest, does not depend alone upon the use which is made of the property. A considerable portion of the physical deterioration goes on whether the property is in active service or not, and the matter

of obsolescence is entirely independent of the use of the property. The depreciation charges should be made from month to month in accordance with what may fairly be judged to be the actual depreciation or loss in value of the equipment in service. In the event that the depreciation is not charged at a uniform monthly rate, the rates used in charging depreciation for the various months of the year should be filed with the Bureau of Statistics and Accounts of the Interstate Commerce Commission.

CASE 168.

Query. Our equipment is all old second-hand equipment, which may be suitable for service for from three to fifteen years. What per cent of depreciation should be charged yearly against such equipment?

Answer. The order of the Interstate Commerce Commission prescribes no rate to be used for computing depreciation of equipment. Accounting Series Circular No. 13 contains the principles to be followed, and each carrier should determine its own rate.

CASE 169 (*amended*).

Query. A new freight car, valued at \$665, was destroyed in the month of July. Estimated salvage \$100, net loss \$565, no depreciation so far charged. Kindly advise full treatment of this matter.

Answer. Where a new freight car went into service on July 2, or later during the month of July, and was destroyed during the month of July, salvage being \$100, original cost \$665, net loss \$565, the \$565 should be charged to account "Freight-Train Cars—Renewals," the \$100 should be charged to "Materials" or the equivalent account, and the "Freight-Train Cars—Replacement" fund should be credited \$665. To the Replacement account should then be charged the cost of the car, and account No. 33, "Equipment," in Classification of Expenditures for Additions and Betterments, should be credited with such cost. If, however, the car was in service on July 1, 1907, depreciation charges should be made with respect to that car for one month's depreciation, in which case the renewals charge will be less than above stated by the amount charged on account of one month's depreciation. If the car was in service prior to July 1, 1907, account must be taken of the depreciation accrued prior to that date, in accordance with the principles given in Accounting Series Circular No. 13. When any car goes out of service, the principal sum upon which depreciation charges for this class of equipment are to be based should be adjusted accordingly.

CASE 170.

Query. Suppose a car valued at \$665 is sold after being placed in the Equipment account, the amount received being the original cost. To what account should the bill for the value of the car be credited, and what entries are necessary to make proper charge against "Freight-Train Cars—Renewals?"

Answer. The amount of the bill should be credited to the Replacement account and an entry made to account "Freight-Train Cars—Renewals," as directed in the text of that account. The treatment in this case will result in a credit to the Renewals account and a debit to the Replacement account equal to the accrued depreciation on the car. The Replacement account should then be cleared by crediting the original cost of the car to Additions and Betterments account No. 33, "Equipment."

CASE 171.

Query. In the text under "Depreciation," pages 38, 44, 45, 47, 49, 50, and 52 of the Classification of Operating Expenses, where the phrase "to provide a fund for replacement when retired" occurs, is the word "fund" to be interpreted as meaning merely a book account or are carriers supposed to set aside a distinct sum of money in bank for the purpose prescribed?

Answer. It is not required that a definite sum of money be set aside in bank equal to the accumulations in the reserves for replacement of equipment.

CASE 172.

Query. Owing to the manner in which Equipment accounts and depreciation on equipment have been handled heretofore, and in accordance with the Classification of Expenditures for Road and Equipment, would it be proper to take an inventory of our equipment as of July 1, 1907, putting a fair price on locomotives, etc., and credit "Locomotives—Replacement" fund, etc., for the increase to these different items, thus getting an inventory value of our equipment as of that date?

Answer. All adjustments of ledger accounts to inventory values of equipment as of July 1, 1907, should be made as debits or credits to Profit and Loss.

CASE 173.

Query. The line of the A B Railway Company together with that of the X Y Railway Company forms a through line between F and G. The A B Company having no shops of its own has all repairs to equip-

ment made in the shops of the X Y Company. It is desired to charge into the accounts of each company the cost of repairs and other shop work performed for the respective companies, and for that reason what is substantially a clearing account is used for all expenses of the shop. May this be done?

Answer. Yes.

CASE 174.

Query. Frequently it is not possible to preserve the identity of scrap taken from cars and locomotives torn down, as it goes into the general scrap heap and is sold when there is a market for it. Is it proper for us to make as close estimates as possible of the value of scrap and second-hand material from equipment and use those estimates in making credits to Replacement accounts and in arriving at the amount to be charged to the different Renewals accounts in Operating Expenses?

Answer. Yes.

CASE 175.

Query. Am I correct in understanding that charges to Renewals accounts are to be made only when equipment is condemned, destroyed, or sold?

Answer. Charges to Renewals accounts are to be made only when equipment goes out of service. In this connection see Accounting Series Circular No. 13.

CASE 176.

Query. Supposing one of our cars is destroyed on the rails of a foreign line and we bill against them for its present value only, which is the original cost less depreciation of — per cent per year. Should this amount be credited to "Freight-Train Cars—Repairs," or would it be proper to credit the amount of the bill to "Replacement" fund, so that when the car is rebuilt it could be charged to the same account?

Answer. Credit to "Freight-Train Cars—Replacement." The cost of the car should also be taken out of the "Equipment" account, as provided in Classification of Expenditures for Additions and Betterments.

CASE 177.

Query. At B our power house, used for running different machines in the shops, not only furnishes power for the running of the machines but also has two dynamos from which electric lights are furnished to the passenger station, freight office, and other buildings. We can, of course, determine definitely the cost of labor for producing the electric current for lighting the buildings and can make charges to the proper

accounts, but we can not divide the fuel and supplies directly among any of the accounts. Should not such supplies be charged to clearing account "Shop Expenses" and prorated among the accounts on the basis of the distributed charge to each individual account?

Answer. Yes.

CASE 178.

Query. We have a power house which supplies electric light for a large passenger station, freight houses, and warehouses, as well as a train shed; also furnishes heat for the same building, as well as refrigeration for cooling boxes in the warehouses. This plant is operated as one and serves the different buildings mentioned. Shall it be understood from the classification that the expense of operating this power plant shall be charged to account on page 74, "Operating Power Plants," and that the repairs should be charged to account on page 52, "Power Plant Equipment?"

Answer. The expense of operating such a power plant may be treated through a clearing account and distributed to the various accounts chargeable with product furnished. The repairs to the building and the machinery therein should be charged to "Buildings, Fixtures, and Grounds."

CASE 179.

Query. Shall it be understood that total charges to the clearing account "Shop Expenses" shall be distributed only among the accounts specially mentioned in the official classification in that connection, or may the distribution be made over all accounts affected?

Answer. The distribution should be made upon the basis of distributed labor over all accounts affected.

CASE 180.

Query. With regard to power plants not chargeable to "Outside Operations," but which are used to generate current for purposes other than the propulsion of electric locomotives, trains, or cars, it has been our custom to include the cost of maintaining the buildings and equipment of the plant, together with the cost of operating the same, in a convenience account. The product is distributed and charged to the various accounts affected. How shall this matter now be treated?

Answer. If the power plant is used solely for the purpose of furnishing power to shops, the cost of operation should be disposed of through the clearing account "Shop Expenses." The cost of maintaining buildings should be charged to "Buildings, Fixtures, and Grounds," and the

leaving. May expense be divided between yard and road service on the basis of mileage, using 6 miles per hour constructive mileage for yard work?

Answer. The expense should be divided between yard and road service on the basis of service rendered.

CASE 191.

Query. Our road, less than 10 miles in length, affords in connection with other roads, all of which it crosses, a means for the interchange of freight traffic between these other roads. Manufactories and industries located along its line and siding extensions are also afforded service to and from each of the other roads with which it connects. The traffic handled, practically all freight, is moved at a fixed rate for each loaded car handled, irrespective of destination or character of lading, no charge being made for the movement of empty cars. Is it proper to credit our earnings to "Switching Revenue" and treat items of transportation expenses as "Yard" expenses?

Answer. The earnings should be credited to "Switching Revenue" and the transportation expenses be treated as yard expenses in contradistinction to road expenses, where it is necessary to distinguish between them.

CASE 192.

Query. Our railway is a terminal road engaged in switching cars between the manufactories located on the lands of the ——— Company and the A B and C D railway companies. Should our transportation expenses be reported as "Yard" or "Road?"

Answer. If the service is purely a switching service—that is to say, if the charges for such service depend solely on the number of cars moved and are independent of the commodity, weight, and character of the loading of such cars—the transportation expenses should be treated as a "Yard" service expense.

CASE 193.

Query. Another company pays the salary of the agent and his assistants at a station where some switching is performed, but not at a regular yard, and bills our company for one-half of the amount. Should the company paying the expenses credit the operating account to which this expense is charged, viz, "Station Employees," with their bill against us, or should they credit "Operating Joint Yards and Terminals—Cr.?"

Answer. It is not expected, for the present, that joint employees will be considered joint facilities. It will, therefore, be necessary for the creditor company to credit the proportion of salaries of agents and assistants in such case charged against another company to account "Station Employees," and the debtor company to charge its proportion to the same account. This applies only where the joint arrangement affects employees alone. Where the employees are engaged in maintaining or operating joint facilities, their salaries and expenses are a part of the joint-facilities expenses treated through the joint-facilities accounts. In this connection see page 2 of Accounting Series Circular No. 14.

CASE 194.

Query. What account should be credited with money received from other railroads for water furnished their locomotives?

Answer. The account originally charged, "Water for Yard Locomotives," or "Water for Road Locomotives," as the case may be.

CASE 195.

Query. The A B Railway Company runs its equipment and crews from F (the junction between that company and ours) over our lines to H and return, for which we pay that company 15 cents per mile for passenger locomotive service when in regular runs. When run in special passenger service or freight service, we pay 30 cents per mile. How shall we dispose of these charges?

Answer. The two carriers interested should agree upon an apportionment of the mileage charge, and the portion allotted to the locomotive should be passed through the "Hire of Equipment" account; the portions allotted to enginemen, fuel, water, waste, etc., should be passed through the appropriate primary operating expense accounts. Statistics of miles made between the two points must follow the expense for such service.

CASE 196.

Query. Under what head should labor of lighting switch lamps be charged?

Answer. If not at terminals, it should be charged to "Station Employees;" if at terminals it should be charged to "Yard Switch and Signal Tenders."

CASE 197.

Query. To what account should be charged care of switch lamps at stations along the line?

Answer. When at stations at which no regular switching service is maintained, the labor should be charged to "Station Employees" and the supplies to "Station Supplies and Expenses."

CASE 198.

Query. Referring to the account, "Station Employees," on page 64, the sixth line mentions telegraph operators at stations. Does this cover pay of telegraph operators at large freight stations who perform no other service, or should the salary of such operators be charged to the account on page 77, "Telegraph and Telephone—Operation?"

Answer. Salaries of telegraph operators at stations should be charged to "Station Employees."

The classification is revised by amending the text under "Telegraph and Telephone—Operation" by striking out the words "who also perform other station work" in the first paragraph of that account at the top of page 78.

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 199.

Query. Under the rules of the Produce Exchange there is a deputy inspector of weights who attends to all loading of grain for export at our terminal. His salary is paid by the Produce Exchange. His duties are to inspect, measure, and grade the grain. It occasionally happens that we want to load this grain out of hours, and in order to have the services of this man after working hours and on Sunday we have to pay for such services. To what account should such payments be charged?

Answer. To "Station Employees" if not incidental to an outside operation.

CASE 200.

Query. To what account should be charged stationery and printing expenses incurred on account of operating floating equipment?

Answer. To "Stationery and Printing" under Transportation Expenses, when not incidental to outside operations.

CASE 201.

Query. Our superintendent of water service has charge of production of treated water for use of locomotives and his duties are confined exclusively to this work. May we charge his salary to the account "Water for Yard Locomotives" or "Water for Road Locomotives," as the case may be?

Answer. Yes.

CASE 202.

Query. How shall we dispose of amount allowed for loyal service and overtime work of certain employees during a strike of the coal shovelers and laborers and sympathetic strike of roundhouse men?

Answer. The amount allowed for loyal service and overtime work of certain employees during a strike should be charged to the same account as would have been charged for the work had it been performed during regular time.

CASE 203.

Query. Should hostlers and helpers at roundhouses be classed as enginemen and charged as are the latter to "Yard Enginemen" or "Road Enginemen," or should they be classed under "Enginehouse Expenses"—Road or Yard?

Answer. Pay of hostlers and helpers at roundhouses should be charged to "Enginehouse Expenses—Road" or "Enginehouse Expenses—Yard," as the case may be.

CASE 204.

Query. We have employed on our road a number of men known as gatemen, who operate gates which are in reality signals at railroad crossings, not highway crossings. Is it proper to charge the pay of these men to "Interlockers and Block and Other Signals—Operation?"

Answer. Yes.

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 205.

Query. To what account shall expenses, such as car fare, traveling expenses, etc., of station employees be charged?

Answer. To "Station Supplies and Expenses."

CASE 206.

Query. In the matter of cars which do not pass inspection at junction points, by reason of which loads are transferred, it has been customary to make, in addition to the cost of the transferring, a charge for switching. To what accounts should this item of switching be charged by the road bearing it, and how should it be credited by the road receiving it?

Answer. This item of switching should be credited by the receiving company to revenue account No. 9, "Switching Revenue," and charged by the paying company to account "Other Expenses" under Transportation Expenses.

CASE 207.

Query. How shall we dispose of the expense to a company for having its checks cashed at banks; also for drafts payable in other cities issued in payment of the company's indebtedness?

Answer. These two items should be charged to "Other Expenses" under General Expenses.

CASE 208.

Query. A company devotes annually to a pension fund, say, \$30,000. The amount of pensions actually paid during the past year was, say, \$10,000. How should these amounts be treated?

Answer. The \$30,000 devoted annually to the pension fund can not be considered a proper charge to Operating Expenses. Operating Expenses are chargeable only with amounts of pensions paid to retired employees and expenses in connection therewith. (*See Case 302.*)

CASE 209.

Query. The management of our company consists of several officers receiving no salary, also a general bookkeeper and auditor, whose salary we would charge to "General Expenses." Is this correct? We also have a general superintendent located on the road, who is responsible for the whole local management of the road. Further, we have a general agent who performs the duties of clerk to the superintendent and of local agent at the only station where we have an agent and local accountant. How shall we dispose of these salaries?

Answer. The salary and expenses of the general bookkeeper and auditor, if the same person, should be charged to "Salaries and Expenses of General Officers." The salary and expenses of the general superintendent should be charged as per note on page 64 of the Classification of Operating Expenses. The salary and expenses of the general agent should be charged in accordance with services rendered.

CASE 210.

Query. With respect to terminal roads, what rule should be followed in dividing earnings between "Freight Revenue" and "Switching Revenue?"

Answer. See revised text for account No. 9, "Switching Revenue," in the Supplement, effective on July 1, 1908, to Classification of Operating Revenues for Steam Roads, First Issue.

CASE 211 (*amended*).

Query. Is it permissible to charge claims paid during the fiscal year against a reserve set up for freight overcharges, and make such further accruals by charges to revenue accounts as may be necessary to cover estimate of existing overcharge claims; thus maintaining a sufficient reserve to cover approximately all outstanding overcharge claims at any given time?

Answer. Yes. Reserves should be held until liabilities for which they were created are liquidated.

CASE 212.

Query. For several years past our company has paid the A B Company one-half of the cost of towing their boats to and from our wharf at Y in lieu of cartage expense. It seems to me this might be termed "water switching," and we would ask if it is not proper to charge this service to "Freight Revenue?"

Answer. Yes.

CASE 213.

(Answer not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 214.

Query. On a car received from a connecting carrier certain switching was necessary at X Junction, charges for which amounted to \$20, and were absorbed by our line. A portion of this switching charge absorbed was recovered from another connecting carrier. How shall this matter be treated?

Answer. The net switching charge absorbed should be charged to the account to which was credited the revenue upon the shipment.

CASE 215.

Query. The A & B Railway Company enjoys the use of our tracks, station buildings, and other facilities between X and Y, paying therefor a specified rent on a valuation basis, wheelage proportion of maintenance, and agreed proportions of station service (principally train telegraph service). The A & B Railway Company has no right to transact a local business between the points named. Recently our operating officials entered into an agreement under which the A & B trains should handle our local freight and passenger business between those points for a stipulated percentage of the revenue. Note C under account "Passenger Revenue" reads as follows: "When a lessee com-

pany transports passengers over the tracks of another carrier on the basis of a proportion of revenues, it should include the entire compensation in its revenues and statistics, charging the appropriate joint-facilities expense and rent accounts with the amount paid the lessor company, and the lessor company should credit the same accounts." No similar provision is made for a like case under "Freight Revenue." Applying Note C to our case, I take it to mean that the A & B Railway Company should include in its passenger revenue the full revenue from our line tickets taken up and should charge its operating expense accounts with the proportion accruing to our line. Should like disposition be made of freight revenues from local traffic between X and Y?

Answer 1. The amounts paid by the A & B Railway Company for use of tracks, station buildings, and other facilities between X and Y, based on a specified rent and proportion of the expenses of maintenance and operation, should be handled through the appropriate joint-facilities accounts in Operating Expenses and Income Account. The lessor company should charge its various operating expense accounts with the full cost of operation and maintenance.

2. The A & B Railway Company should include in its freight and passenger revenues the entire receipts of the local freight and passenger traffic between X and Y, and the proportion accruing to the lessor company should be handled through the appropriate joint-facilities account in Income Account. Note C referred to applies only when the proportion of the revenues paid is the full payment for use of joint tracks, etc., and it is intended that such payments should be apportioned to the joint-facilities accounts affected in Operating Expenses and Income Account.

CASE 216.

Query. A train stops at X, but tickets to that point can not be bought for this train. The first point beyond to which a ticket may be bought is Y. It sometimes happens that a party desiring to get to X in a hurry buys a ticket to Y and leaves the train at X, thus leaving an unused portion of the ticket in the hands of the conductor, which is returned to the auditor of passenger accounts. Or, in the case of reduced rate in connection with some special feature, a person desiring to visit an intermediate point will buy an excursion ticket and not use it clear through to destination. How should these cases be treated?

Answer. The full amount received upon the sale of the ticket should be credited to revenue account No. 2, "Passenger Revenue."

CASE 217.

(Canceled.)

CASE 218.

Query. Our road enters ——— over leased lines, and not having terminal facilities of our own at this point, we look to connecting lines to do our switching. The A B Railroad Company bills against us for switching cars, both where that company participates in the earnings and where it does not (the charges in the latter case being higher), and in some cases whether the cars be loaded or empty. How shall we treat the various switching charges?

Answer. Such charges on loaded cars should be charged to revenue account No. 1, "Freight Revenue;" switching charges on empty cars, when not in connection with loaded movements, should be charged to account "Other Expenses" under Transportation Expenses. When the empty movement is in connection with a loaded movement, and wholly incidental thereto, the amount paid therefor should be charged to revenue account No. 1, "Freight Revenue."

CASE 219.

Query. Grain is transported to X from points west and is transferred from cars to elevators. Railroad companies receiving grain from such elevators for transportation pay to the elevator company one-quarter of 1 cent per bushel, this charge being covered by a note in our tariff. To what account should such charges paid to the elevator company by the railway company be charged?

Answer. To revenue account No. 1, "Freight Revenue."

CASE 220.

Query. What is the proper disposition of payments made to industrial concerns for services of their switch locomotives? We find it cheaper or more convenient to pay the industrial concerns the rate set forth in our tariff and have them do their own switching rather than to assign one of our own locomotives to that service.

Answer. Payments of this nature may be disposed of by charging them to revenue account No. 1, "Freight Revenue."

CASE 221.

Query. In the case of passenger trains run under a guaranty where you provide for splitting the revenue between "Passenger Revenue" covering amount received from the sale of tickets and "Other Passenger-Train Revenue" for the deficit made up by the guarantor I assume that the entire mileage should go under the head of "Passenger Train-Miles" and not under that of "Special Train-Miles." Is this correct?

Answer. Yes; unless the train is a mixed train. (See Case 85.)

CASE 222.

Query. This company handles picnic trains between X and V on the following basis: (a) So much for each train at an agreed price per coach without regard to the number of people handled; (b) so much for each passenger with a guaranty of so much revenue. In case the revenue per capita does not equal the guaranty, the deficiency is paid to the company. What is the proper classification in revenue account?

Answer. In the first case the revenue should be credited to revenue account No. 10, "Special Service Train Revenue." In the second case the portion of the receipts based upon the rate per passenger and the number of passengers should be credited to account No. 2, "Passenger Revenue;" the remainder, if any, received under the guaranty should be credited to account No. 8, "Other Passenger-Train Revenue."

CASE 223.

Query. Circus trains are handled between stations at a lump sum for a train, with a limitation on the number of people carried. Am I correct in assuming the revenue should be credited to revenue account No. 10, "Special Service Train Revenue?"

Answer. Yes.

CASE 224.

Query. In case of picnic trains, chartered trains, and theatrical trains, where the revenue is properly credited to revenue account No. 10, how should the number of passengers, the train mileage, and the car mileage be treated, as far as passenger statistics are concerned; that is, in ascertaining rate per passenger per mile, etc.?

Answer. No accounts should be kept of passengers and passenger miles where the revenue is properly credited to revenue account No. 10, "Special Service Train Revenue." With regard to train-miles, car-miles, locomotive-miles, etc., see the Classification of Locomotive-Miles, Car-Miles, and Train-Miles.

CASE 225 (*amended*).

Query. We derive revenue from transferring trains of other railroad companies over a portion of our tracks with our own power, for which we charge a certain rate per car. What disposition should be made of this revenue?

Answer. This should be credited to account No. 11, "Miscellaneous Transportation Revenue," or to account No. 9, "Switching Revenue," as may be determined by the nature of the service.

CASE 226.

Query. How should the earnings with respect to parlor-car service be treated?

Answer. When the parlor-car service is not an outside operation, such earnings should be credited to revenue account No. 4, "Parlor and Chair Car Revenue."

CASE 227.

Query. We ran a special train from A to B, destined to a point beyond, and required for our service a guaranty of \$114. Tickets collected amounted for our portion to \$51.65. We collected the remainder from roads beyond. How shall we treat this?

Answer. The portion collected under the guaranty should be credited to revenue account No. 8, "Other Passenger-Train Revenue." (See Cases 85, 221, and 222.)

CASE 228.

(Answer not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 229.

Query. Garnishment suits are frequently entered against railroads for amounts due from them to other parties. In certain States the garnishee is allowed a fee for answering such suits. What should be done with these fees?

Answer. Credit garnishee fees to revenue account No. 19, "Miscellaneous."

CASE 230.

Query. To what account should sale of gravel from company's gravel pit be credited?

Answer. Profit should be credited to revenue account No. 19, "Miscellaneous." The average cost of production should be credited to the ballast clearing account.

CASE 231.

Query. Is the "Car-Service" account to be credited with the amount of car service accruing in the current month or only with the amount actually paid during that month?

Answer. Credits to revenue account No. 16, "Car Service," should be upon the basis of accruals.

CASE 232.

Query. Our road occasionally has opportunity to dispose of cinders. To what account should amounts thus received be credited?

Answer. Such credits should be made to revenue account No. 19, "Miscellaneous."

CASE 233.

(Answer not finally approved. *See Accounting Series Circular No. 12c.*)

CASE 234.

Query. If we charge to construction accounts the market value of securities given as a commission, to what account is it proposed to charge the difference between par value and cash market value?

Answer. The difference between the cash value of securities given as a commission and the par value of such securities should be charged to account "Discount on Securities Issued."

CASE 235 (*amended*).

Query. This company acquired from the A & B Railway Company (whose property we purchased en bloc) about 75 freight cars in bad condition. These cars were taken over at an estimated value of \$200 each and are not used in operating the property, but are held for work in grading, etc., and repairs have heretofore been charged to the work benefited. May we follow this procedure in the future?

Answer. Yes, if the cars are used on additions and betterments work; but if on construction of new lines the cost of repairs should go to account No. 34, "Repairs of Equipment" in the Classification of Expenditures for Road and Equipment.

CASE 236.

Query. Kindly advise to what account we should charge the cost of a log loader. This loader is not assigned or in any way attached to any particular flat car, and when not in use by this company will be used by outside parties at an agreed rate.

Answer. Cost of this log loader should, if chargeable to Operating Expenses, be charged to account No. 66, "Station Supplies and Expenses;" if chargeable to property account as first equipment of a new road, should be charged to account No. 18, "Station Buildings and Fixtures" under the Classification of Expenditures for Road and Equipment; if an addition to a road already in operation, should be charged to Additions and Betterments account No. 21, "Station Buildings and Fixtures."

CASE 237.

Query. I fail to find in the Classification of Locomotive-Miles, Car-Miles, and Train-Miles any provision made for motor or trailer mileage. Both of these kinds of mileage on our lines are a very large factor in our total. Please advise how we shall handle them.

Answer. The motor-miles may be disposed of through a subaccount under "Locomotive-Miles" and the trailer-miles through a subaccount or accounts under "Car-Miles."

CASE 238.

Query. How should miles run by nonrevenue cars in revenue trains be classified?

Answer. As revenue car-miles.

CASE 239.

Query. With regard to the provision under "Switching Locomotive-Miles," that switching miles shall be computed at the rate of 6 miles per hour for the actual time engaged in such service in excess of one hour at any one station, is it to be inferred that no mileage should be computed for the first hour?

Answer. The rule requires that no switching mileage should be taken into account for a locomotive in road service switching at a particular station unless the locomotive is engaged in such service more than one hour. If a road locomotive is engaged more than one hour, the rule is that the mileage should be computed at the rate of 6 miles per hour for only the excess time over one hour.

CASE 240.

Query. How should the miles made by switching locomotives in yard service be computed?

Answer. At the rate of 6 miles an hour.

CASE 241.

(Answer not finally approved. See Accounting Series Circular No. 12c.)

CASE 242.

Query. Should car mileage be kept under the four heads, "Freight car-miles," "Passenger car-miles," "Special car-miles," and "Non-revenue service car-miles," or more in detail, as "Freight car-miles—loaded;" "Freight car-miles—empty;" "Freight car-miles—caboose;"

"Passenger car-miles—passenger cars;" "Passenger car-miles—sleeping, parlor, and observation;" "Passenger car-miles—other passenger-train cars;" "Special car-miles—freight, loaded;" "Special car-miles—freight, empty;" "Special car-miles—caboose;" "Special car-miles—passenger;" "Special car-miles—sleeping, parlor, and observation;" "Special car-miles—other passenger-train cars;" "Nonrevenue service car-miles?"

Answer. The car mileage should be kept with the fuller detail, using the thirteen accounts as given.

CASE 243.

Query. In clearing a wreck it is necessary to use the wreck train, engine, and crew of another company. In preparing voucher, should the charge be distributed to "Hire of Equipment" and "Clearing Wrecks," or should the entire expense be charged to the last-named account? To what accounts would the bills of the company performing the service be credited?

Answer. Amounts paid for use of wreck engine, crew, and derrick of another company hired in emergency to clear a wreck should be charged to "Clearing Wrecks" by the company that pays the bill. The company furnishing the wrecking outfit should credit the amount to each primary account affected for actual service performed and credit the amount charged as rent of equipment to "Hire of Equipment."

CASE 244.

Query. What is the proper classification of expenses for stationery and printing used by outside agents, advertising department, and fast-freight lines?

Answer. Account "Stationery and Printing," under Traffic Expenses, includes all stationery used in traffic department, except stationery used by industrial and immigration bureaus.

CASE 245.

Query. The account "Train Supplies and Expenses" in the Classification of Operating Expenses, Third Revised Issue, provides for the cost of oil, grease, waste, wool, and other supplies used in lubricating cars. The account "Roadway and Track," under the subheading "Train Service," provides for the cost of fuel, stores, and other supplies for work-train locomotives and cars. Should the oil used for lubricating work trains be charged to "Train Supplies and Expenses" or considered as a portion of the supplies mentioned under "Roadway and Track?"

Answer. The Supplement to the Classification of Operating Expenses, effective on July 1, 1908, eliminates the cost of lubrication of work-train cars from "Train Supplies and Expenses," and provides for such cost through various accounts under Maintenance of Way and Structures.

CASE 246.

Query. To what revenue account or operating expense account should be credited the slight profits accruing to a carrier on bills rendered against other roads or individuals; that is to say, percentages added to labor, and material for superintendence, use of tools and accounting, and other items of profit, where the charge made is somewhat in excess of the cost to the carrier rendering the bill?

Answer. Should be credited to Operating Expenses. (See Cases 262 and 394.)

CASE 247.

Query. In regard to the distinction between "Operating Joint Yards and Terminals" and "Operating Joint Tracks and Facilities," and as to whether we should include in joint-facilities accounts, joint expenses of all kinds, such as interlocking plants, crossing flagmen, etc., we are now entering our July bills, and it is important that we know how these should be distributed. In this July account we will be vouchering and charging bills for joint facilities made and credited by other railroad companies prior to July. These bills will therefore not show the distribution to the joint-facilities accounts. Will it be proper to charge such bills to the proper joint-facilities accounts, regardless of the distribution made by the carrier rendering the bill?

Answer. Expenses that enter into accounts subsequent to July 1, 1907, on account of joint facilities of all kinds should be handled through the joint-facilities accounts.

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 248.

Query. Under Maintenance of Equipment—"Superintendence" are included the words "general foremen." What is meant by this term and in what respect are they distinguished from shop foremen as shown under the clearing account "Shop Expenses," on page 56 of the Classification?

Answer. "Shop foremen" ordinarily includes foreman of machine shop, foreman of boiler shop, foreman of blacksmith shop, and foreman of any department. "General foremen" is a term applicable to such

foremen as have jurisdiction over the several departmental foremen known as shop foremen, where the organization is sufficiently large to require the service of a general foreman, as distinguished from a departmental foreman. Where a single foreman has charge of all shops without the assistance of departmental foremen, he should be regarded as a shop foreman.

CASE 249.

Query. Should per diem reclaims be treated as a matter of hire of equipment? If not, to what account should such per diem reclaims be charged and credited?

Answer. Reclaims should be treated the same as per diem payments and disposed of through the account, "Hire of Equipment."

CASE 250.

Query. In addition to our paying other companies a proportion of maintaining joint tracks, maintaining joint equipment, operating joint tracks, and general administration of joint tracks, we also pay a flat rent per annum. How shall we take care of such payments?

Answer. Should be charged to an appropriate rent account under Income Account.

CASE 251.

Query. Should the salary of a station agent who also acts as a copy operator for dispatching trains be divided between "Dispatching Trains" and "Station Employees," or should the salary be charged entirely to "Station Employees?"

Answer. All to "Station Employees."

CASE 252.

Query. To what account under the new classification should be credited amounts received from tenants for the privilege of cutting hay along our right of way?

Answer. Operating revenue account No. 19, "Miscellaneous."

CASE 253.

Query. Should not the notes under accounts "Water for Yard Locomotives," page 69, and "Water for Road Locomotives," page 72, Classification of Operating Expenses, Third Revised Issue, reading, "The apportionment of water as between yard and road locomotives should be on the basis of the relative number of tender tanks taken," be changed to read: "The apportionment of cost of water as between yard and road locomotives should be based on the relative number of tons of coal used on locomotives in yard and road service?"

Answer. The apportionment of water between yard and road locomotives should be on the basis of the relative number of tons of coal used on locomotives in yard and road service.

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 254.

Query. To what account should compensation for the use of an air-brake instruction car, the property of a correspondence school, used by a railway company in the instruction of its employees in the transportation and motive power departments, be charged?

Answer. Should be disposed of in accordance with note on page 64 of the Classification of Operating Expenses, under "Transportation Expenses—Superintendence."

CASE 255.

Query. Matters pertaining to the land and tax departments of a certain railway company are in the hands of a land and tax commissioner of an allied company, and 5 per cent of his salary is paid by the former. Is such payment a proper charge to "Salaries and Expenses of General Officers?"

Answer. Yes.

CASE 256.

Query. Should metallic packing, now listed in transportation expenses under "Other Supplies for Yard Locomotives" and "Other Supplies for Road Locomotives," be considered a repair in place of a supply article? If such be the case, metallic packing would hereafter be listed under "Steam Locomotives—Repairs," "Electric Locomotives—Repairs."

Answer. Metallic packing is a vital part of a locomotive, and is more in the nature of repairs than supplies. It should be charged to "Steam Locomotives—Repairs" and "Electric Locomotives—Repairs," instead of to "Other Supplies for Road Locomotives" and "Other Supplies for Yard Locomotives." The Classification of Operating Expenses is amended accordingly.

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 257.

Query. The Classification of Operating Expenses, Third Revised Issue, requires the apportionment of shop expenses among the various accounts affected on the basis of the amount of distributed

labor charged to those accounts. It is claimed this ruling is in conflict with M. C. B. Rule No. 104, and the question arises if it is the intention to disregard the M. C. B. rules where they conflict with Classification of Operating Expenses, Third Revised Issue?

Answer. M. C. B. rules govern only charges of one carrier against another carrier and do not affect or govern operating expense accounts. There is no conflict.

CASE 258.

Query. Are the pay and expenses of employees at stations used jointly to be handled through the joint-facilities accounts under Transportation Expenses?

Answer. Yes. (See Case 193.)

CASE 259.

Query. Should the amounts received for switching a private car and its occupants from one railroad to another in order to continue the movement from point of origin to destination be credited to account No. 9, "Switching Revenue?"

Answer. Yes.

CASE 260.

Query. Should the amounts received from switching express cars from one railroad to another to continue the movement from point of origin to destination be credited to account No. 9, "Switching Revenue?"

Answer. Yes.

CASE 261.

Query. To what account should coupons found in covers of interchangeable mileage books returned for redemption be credited?

What account should be credited with the value of coupons from mileage books which remain unrepresented after the expiration of the limit of the ticket?

To what account should be credited amounts of unclaimed penalty collections on trains; also, unclaimed redeemable portions of mileage tickets and credentials?

Answer. To account No. 8, "Other Passenger Train Revenue."

CASE 262.

Query. How should the percentage added to labor, representing the use of tools, superintendence, etc., and the percentage added to material, covering handling, transporting, and accounting, be treated—and how credited?

Answer. Should be credited to Operating Expenses. (See Case 246.)

CASE 263.

Query. Should the revenue derived from trackage charge levied by the A & B Railway Company, incident to deliveries of live stock to C & D Stock Yards Company, such deliveries being made by connecting lines' own power, and on basis of published tariff charges, be credited to account No. 19, "Miscellaneous," under Revenue from Operations Other than Transportation, or should same be apportioned to Income account, and joint-facilities accounts under Maintenance of Way and Structures, Transportation Expenses, and General Expenses?

Answer. Should be apportioned to appropriate rent account under Income Account and to joint-facilities accounts.

CASE 264.

Query. In the Classification of Operating Expenses, Third Revised Issue, under "Work Equipment—Repairs," "Steam Locomotives—Repairs," "Passenger-Train Cars—Repairs," and "Freight-Train Cars—Repairs," is included cost of supervision. Where such repairs are made by master mechanics, general foreman, car foreman, etc., whose pay comes under "Superintendence," on page 41, what supervision would be included in the repair accounts?

Answer. Account "Superintendence" includes pay of chief car inspector and general car inspector, but not of local supervising car inspector. This latter official's duties come under the term "Supervision," named in the repair accounts quoted. Superintendence covers officials having territorial jurisdiction over several points or several departments, and the primary accounts include local supervision and departmental supervision, as distinguished from above.

CASE 265.

Query. A railway company has arrangements for switching cars to industries and to other carriers' connections, in which the switching road is paid for the loaded haul and also for the return of the empty cars to the said railway company's line. Is the specific charge for the return movement of the empty car a proper deduction from the freight revenue as a part of the cost of effecting the delivery or charge under operating expenses to "Other Expenses?"

Answer. Charge to revenue account No. 1, "Freight Revenue."

CASE 266.

Query. If rent of a pile driver used in the construction of a bridge be charged to account No. 33, "Rent of Equipment" in the Classification

of Expenditures for Road and Equipment, how will the true cost of a bridge (on which this pile driver worked) be determined?

Answer 1. If the pile driver is permanently mounted on a car the charge for the rent thereof should be made to account No. 33, "Rent of Equipment" in the Classification of Expenditures for Road and Equipment, First Revised Issue. Should it be desired to divide this account into subprimary accounts so that the amount paid for hire of equipment used in constructing bridges can be ascertained, it may be done, provided that a list of such subprimary accounts be submitted to the Interstate Commerce Commission.

2. If the pile driver is not mounted on a car its rent should be charged to account No. 6, "Bridges, Trestles, and Culverts," in the Classification of Expenditures for Road and Equipment, First Revised Issue.

CASE 267.

Query. Where a certain rate is quoted in a tariff for the carrying of sand, is the charge of 10 cents for loading the sand, which service is performed by the A & B Railroad Company or by a contracting firm employed by the same company, a proper debit to operating expenses?

Answer. Yes; charge to "Station Employees."

CASE 268.

Query. Road A has trackage rights over the line of road B between two points, the consideration received being a toll of \$4 per loaded car, etc. These amounts have heretofore been credited to "Miscellaneous Earnings." Should such items be shown as a credit to primary account "Operating Joint Tracks and Facilities—Cr.?"

Answer. It is assumed that this payment includes the following items, and should be disposed of accordingly:

1. Maintenance, which should be disposed of to "Maintaining Joint Tracks, Yards, and Other Facilities."

2. Transportation expenses, which should be disposed of to "Operating Joint Tracks and Facilities."

3. Interest on valuation or rent, which should be disposed of to Income Account.

It is also assumed in this answer that there is no yard movement.

CASE 269.

Query. What account should be charged with amounts paid by a carrier for electric lights at street crossings not at stations or in yards.

the object being to make the crossing safer for the passage of traffic on the street?

Answer. To "Crossing Flagmen and Gatemen."

CASE 270.

Query. This line is a switching road entirely within the State of Pennsylvania. With but few exceptions, and then only for a short time, its cars do not leave the line, and consequently there is no charge for per diem against other companies. We pay to other companies the regular per diem charges for use of their cars while on our lines, and being a switching road, are allowed as reclaim from connecting lines a certain amount for cars returned within the time limit fixed by them.

Are we correct in charging "Hire of Equipment" with the amount paid to other companies for use of their equipment, and crediting "Hire of Equipment" with the amount of the reclaim received from connecting lines, and carrying the balance as a debit or a credit, as the case may be, to Income Account?

Answer. Yes.

CASE 271.

Query. To what account should be charged this company's proportion of the expense of maintaining and operating the mileage exchange order bureau of a passenger association? An interchangeable mileage ticket is in use in this territory. It is honored by all railroads in the association, and the record of the use of interchangeable orders is kept by the bureau mentioned for the purpose of detecting any misuse of these orders.

Answer. To "Traffic Associations."

CASE 272.

Query. The X Y Z Railroad has arrangements with a number of different roads through which the entire expense of interlocking plants protecting railroad crossings, also crossings protected by manual signals, as well as stations at railroad crossings, joint with other roads. One road pays the entire expense, both of labor and supplies furnished, and bills the other roads for their proportion. The tendency seems to be to throw these bills into joint-facilities accounts.

My understanding of the Joint Facilities Circular was that it applied to the property owned by one carrier, another carrier enjoying the facility, or, perhaps, operated by another carrier, in connection with

which it would be a proper charge to the different joint-facilities accounts; but it does not seem to me that a station out in the country, or an interlocking plant covering a road crossing, comes within the joint-facilities accounts. It seems to me that the proper charge is to the different primary accounts outside of joint-facilities accounts. I do not see how "Operating Joint Tracks" can be considered as the proper account in connection with road crossings, the train of each road passing over the crossing on its own rails. Please advise the proper disposition of these expenses.

Answer. The operating carrier should charge the full expense of operation and maintenance to the various operating expense primary accounts affected and should credit the proportions charged against other carriers to the appropriate joint-facilities accounts in Operating Expenses. The amount of rent (interest on valuation and proportion of taxes), if covered by settlements, should be credited to rents in Income Account.

The debtor carriers should charge the appropriate joint-facilities accounts in Operating Expenses and rents in Income Account. The account "Operating Joint Tracks" is amended to read "Operating Joint Tracks and Facilities" in order to embrace items of this nature not in yards or at terminals.

See Supplement, effective on July 1, 1908, to the Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 273.

Query. Should amounts paid to and received from other companies for use of joint facilities, when same are based on a proportion of interest on valuation, in addition to the expense incurred in maintaining and operating such property, be included under the following accounts: "Maintaining Joint Tracks, Yards, and Other Facilities" (debit and credit); "Maintaining Joint Equipment at Terminals" (debit and credit); "Operating Joint Yards and Terminals" (debit and credit); "Operating Joint Tracks and Facilities" (debit and credit); and "General Administration, Joint Tracks, Yards, and Terminals" (debit and credit)?

The note under each of the foregoing accounts shows the purpose of the account is to cover amounts accruing against or in favor of a carrier for its proportion of the expense, etc., and I am therefore unable to determine whether or not the interest on valuation is construed as an item of expense or should be carried through the Income Account as a fixed charge.

Answer. That portion of the charge which represents interest on valuation should be handled through the appropriate rent account under Income Account.

CASE 274.

Query. In connection with the subaccount "Icing and Watering Cars," under "Train Supplies and Expenses," referring to the item "Also cost of refrigeration when borne by the carrier," this company has considerable revenue from refrigeration charges collected in addition to the regular freight rates. No specific mention of this is made in the Classification of Operating Revenues, but as the Classification of Operating Expenses contemplates charging to "Train Supplies and Expenses" bills of other companies for refrigeration, it occurs to me that it would be proper to credit our bills and advance charges to the same account, notwithstanding there is a profit in the business.

What disposition should be made in regard to this matter?

Answer. They should be charged or credited to "Train Supplies and Expenses."

CASE 275.

Query. What disposition should be made of bills for operating interlocking plants at crossings?

Answer. Cost of operation of interlocking plants at railroad crossings used jointly should be handled by carriers other than the operating carrier through joint-facilities accounts. If located in yards or at terminals, charges should be made to the account "Operating Joint Yards and Terminals." If located at points other than in yards or at terminals, charges should be made to the account "Operating Joint Tracks and Facilities." The initial expenditure made by the operating carrier should be charged to its appropriate primary accounts (other than for joint-facilities) in operating expenses and the proportions thereof billed against other carriers should be credited to the appropriate joint-facilities accounts. See Supplement to the Third Revised Issue of the Classification of Operating Expenses, for amended text of the latter account. (See Case 117.)

CASE 276.

Query. In numerous instances agents can not collect amounts charged to them by audit office corrections against freight waybills. The partial provision in the text for "Freight Revenue" account does not seem to fully cover all the circumstances of these cases. The same question presents itself where agents are overcharged on basis of rates, weights,

or classification. Should not the amounts of which agents are relieved under such circumstances be set up in an open account on the audit office ledger in such manner that they may be fully and readily analyzed at any time; and that such account should be closed at the end of each year directly into Income Account?

Answer. All uncollectible undercharges in carrier's proportion of "Freight Revenue" growing out of corrections on waybills should be charged to account No. 1, "Freight Revenue," in compliance with the Classification of Operating Revenues; other uncollectible items on account of undercharge corrections on waybills should be charged to "Other Expenses" under Transportation Expenses.

CASE 277.

Query. At various junctions on our line we own, maintain, and operate stations, rendering bills against other carriers for their proportion of cost incurred to maintain and operate such stations. Should we charge entire expenses incurred in maintaining and operating these stations to "Joint Tracks, Yards, and Other Facilities," under Maintenance and Operation, or charge proportion of amount accruing against other carriers to joint facilities and the balance of costs, borne by us, to the detailed primary accounts outside of joint-facilities accounts?

Answer. Original costs for operating joint facilities should be entered in the various primary accounts of the operating company's operating expenses, and amounts billed against other companies should be credited through the joint-facilities accounts. (*See Case 193.*)

CASE 278.

Query. Where stations, interlockers, water stations, etc., are owned jointly by our company and other companies, should the cost of operation be charged to the various operating expense accounts or should it be handled through joint-facilities accounts?

Answer. Should be charged to the various operating expense accounts of the operating carrier and the proportion billed against other carriers credited to the appropriate joint-facilities accounts; other carriers debiting like joint-facilities accounts.

CASE 279.

Query. To what account should the revenue on a shipment lost or destroyed in transit be charged, and what account should be charged with the unearned revenue beyond the point where the shipment was lost or destroyed?

Answer. The revenue of the road on which the loss occurs should be charged to revenue account No. 1, "Freight Revenue." The amount paid to other companies for their proportion of freight charges accruing thereon should be made a charge to "Loss and Damage—Freight."

CASE 280.

Query. The A B Railway Company leases extensive terminals at F from the X Y Steamship Company and sublets certain wharf property to the C D Transportation Company. The property used by the C D Transportation Company was included in that leased to the A B Railway Company for the reason that the C D Company was a connection of the A B Company and its interests were more closely allied to those of the A B Company than to the X Y Steamship Company, with which it interchanged no traffic. In fixing upon the amount of the rent, the rental value of other property was considered, and to this was added the rent received from the X Y Steamship Company from the C D Transportation Company. For example, the value of other property to the A B Railway Company was, say, \$80,000 per year. The C D Company paid the X Y Company \$18,000 per year, and this was added to the \$80,000, making the rent paid by the A B Railway Company for the entire property \$98,000. In view of the manner of making up the rental charge named in the lease, we are crediting the rent received from the C D Transportation Company, less the cost of maintenance of the property, against the rent paid to the X Y Steamship Company. Inasmuch as the rent paid is an income matter, I think that the rent received is also an income matter after reimbursing operating expenses. Is this correct?

Answer. It is correctly handled.

CASE 281.

Query. The revised issue of rules of the Master Car Builders' Association, under rules 40 and 106, covers the charges to be made for the cost of removing advertisements tacked or pasted upon cars. Should this actual expense be charged to "Train Supplies and Expenses" or to "Freight-Train Cars—Repairs," and should the bills for performing the service be credited to "Train Supplies and Expenses" or "Freight-Train Cars—Repairs?"

Answer. Charge or credit "Train Supplies and Expenses."

CASE 282.

Query. A railroad company sends out a switch engine and crew to pick up lumber lost off a freight train belonging to another company.

To what account should the wages of the crew and use of engine be charged, and what accounts credited?

Answer. They should be charged to company responsible and credited to operating expense accounts originally charged. The rent of engine should be credited to account "Hire of Equipment."

CASE 283.

Query. To what operating account should be charged the proportion of joint operation of interlockers at crossings? For example, at a point on our line another company pays the entire cost of maintaining and operating an interlocker and bills on our company for a proportion of the expense. There are no yards or other facilities.

Answer. Costs of operation of interlocking plants at such railroad crossings used jointly should be handled through joint-facilities account "Operating Joint Tracks and Facilities."

See Supplement, effective on July 1, 1908, to the Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 284.

Query. We have inaugurated between A and C, in connection with another line of road, a through passenger-train service operated over our road from A to B (being intermediate between A and C), and operated over the other road from B to C. Our company pays all expenses, bills the second party each month for their proportion based on train mileage, and credits the account "Operating Joint Yards and Terminals—Cr." Is this correct?

Answer. No; this is not a joint facility and should not be handled through the joint-facilities accounts.

CASE 285.

Query. Under an agreement between the A B Company and the Y Z Railroad Company, executed before this the C D Company began operations, the C D Company handles traffic for the A B Company in A B cars between certain points on this road and the junction with the A B Company. The revenue on such traffic is entirely absorbed by the A B Company. The tracks over which this traffic is handled are owned, leased, operated, and maintained by the C D Company. Monthly bills are rendered against the A B Company, based on the cost of operation and maintenance (including taxes, etc.), as the number of cars, empty and loaded, handled for the A B Company bears to the whole number of cars, empty and loaded, handled over the

tracks as prescribed in the agreement. What accounts should be credited with the amounts of such bills?

Answer. 1. Maintenance charges should be handled through "Maintaining Joint Tracks, Yards, and Other Facilities—Cr."

2. Operating charges should be handled through "Operating Joint Tracks and Facilities—Cr." (for tracks), and "Operating Joint Yards and Terminals—Cr." (for terminals).

3. Administration charges should be handled through "General Administration Joint Tracks, Yards, and Other Facilities—Cr."

4. Charges representing interest on valuation and taxes should be handled through the appropriate rent account under Income Account.

CASE 286.

Query. Passenger trains owned by this company, operating under through schedules, run over about nine miles of tracks owned and maintained by the A B Railroad Company. The entire expense of the crew is paid by this company. The entire earnings of the train while on the A B Railroad tracks are absorbed by the A B Railroad Company. This company bills the A B Railroad Company for a proportion of actual expense of the train and crew, based on the mileage while on this company's tracks, against the mileage while on the A B Railroad tracks. What accounts should be credited with the amounts of bills so rendered?

Answer. Not a joint facility; credit appropriate primary accounts under Transportation Expenses.

CASE 287.

Query. To what account should be charged a railway's proportion of expenses of an association to protect the various railroads in litigation regarding patents upon mercantile devices used in the operation of locomotives or cars, the expenses of which are borne in proportion to the gross earnings of the companies composing the associations?

Answer. "Law Expenses" under General Expenses.

CASE 288.

Query. To what account should be charged rents paid to other companies for use of their stalls for housing our locomotives?

Answer. To "Enginehouse Expenses—Yard" or "Enginehouse Expenses—Road," as the case may be.

CASE 289.

Query. We pay the Y Z Company a specified amount per month for the use of a portion of their yards and tracks, and for another portion

an amount based on the number of cars handled over such tracks. We pay all expenses of maintaining the tracks, but they pay the taxes. Since the amount paid the Y Z Company is for rent, should not the same be debited by us to "Miscellaneous Income—Rent of Property?"

Answer. Charge to appropriate rent account under Income Account.

CASE 290.

Query. We collect from the X Y Company for use of tracks at G a monthly rent. This track is used by the X Y Company as an outlet for their freight trains through our yard at G. To what account should this rent be credited?

Answer. It should be handled through the appropriate joint-facilities account in Operating Expenses and Income Account. That portion of the charge which represents interest on valuation and taxes should be credited to rents in Income Account and that which is for maintenance and operation to the appropriate joint-facilities accounts in Operating Expenses. (See Case 272.)

CASE 291.

Query. We collect from a certain union station company a monthly rent for use of tracks in G from and to certain streets, same being about 600 feet in length. This track is used by lines entering the union station at G. To what account should this rent be credited?

Answer. See Case 290.

CASE 292.

Query. We collect from a Union Station Company for land in G a monthly rent, said land being covered by a part of the structure of the union station. To what account should this rent be credited?

Answer. To the appropriate rent account under Income Account.

CASE 293.

Query. We collect from a party for use of side track an annual rent. To what account should this rent be credited?

Answer. The inquiry implies that this side track is rented by a private individual, not a carrier, in which case the rent should be credited to revenue account No. 18, "Rents of Buildings and Other Property."

CASE 294.

Query. We pay to the A B Railway Company for rent of G terminal tracks a monthly rent, said track being used for transferring freight to

the A B Railway Company in G. To what account should this amount be charged?

Answer. Should be handled through the appropriate joint-facilities accounts in Operating Expenses and through rent account under Income Account. That portion representing interest on valuation and taxes should be charged to rents in Income Account and that which is for maintenance and operation to the appropriate joint-facilities accounts in Operating Expenses. (*See Case 272.*)

CASE 295.

Query. We pay to the X Y Railway Company for rent of 4 miles of main-line track at F a monthly rent, said track being used jointly by the X Y Company and our company on freight and passenger business in and out of F. The expense of maintaining said track is paid by the X Y Railway Company. To what account should this amount be charged?

Answer. If this payment includes cost of maintenance and operation, it should be divided by agreement and apportioned among the appropriate rent and joint-facilities operating expense accounts.

CASE 296.

Query. At various terminals on our railroad we rent to outside parties certain lands and buildings that have no connection with the operations of the road. To what account should these rents be credited?

Answer. To appropriate rent account under Income Account.

CASE 297.

(Answer not finally approved. *See Accounting Series Circular No. 12c.*)

CASE 298.

Query. What account should be charged with payments made to detective agencies for special services to railroad companies?

Answer. Payments for detecting thieves are provided for under "Loss and Damage—Freight," but all detective service is not of this nature. The nature of the service should determine the charge and its disposition should be to the account to which it is analogous.

CASE 299.

Query. Through what account should collections and refunds on account of switch keys be carried?

Answer. The classification is revised, so that switch keys may be charged to "Roadway Tools and Supplies," "Station Supplies and Expenses," "Yard Supplies and Expenses," "Other Supplies for Yard Locomotives," "Other Supplies for Road Locomotives," and "Train Supplies and Expenses," instead of to "Other Track Material," as formerly provided for.

See Supplement, effective on July 1, 1908, to the Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 300.

Query. I do not find that the Classification of Operating Expenses provides for payments to elevator companies for transferring grain, en route, from one car to another. We have charged this expense in our accounts to "Station Supplies and Expenses," as this account, in my opinion, should include this expense. Is the disposition of the matter as suggested above proper?

Answer. It should be charged to "Station Employees."

CASE 301.

Query. The railroad companies which are members of a railway clearing house, the purpose of which is to secure the proper distribution and use of freight-car equipment, are charged with expenses in connection with that association. To what accounts should these payments be charged by the railroad companies?

Answer. To "Weighing and Car-Service Associations."

CASE 302.

Query. This company keeps a separate or independent fund from which pensions are disbursed. A certain amount per month, making an annual total twelve times as great, is appropriated through the income account and credited directly to an open account, which is closed annually when the amount is paid over. The pension fund is invested in interest-bearing securities. Whenever pensions are paid the amounts are debited to an open account and about every quarter collected from the trustee of the fund. There are no expenses for administration or otherwise in connection therewith. Does the account "General Expenses—Pensions" apply?

Answer. Amounts paid as pensions are chargeable to "General Expenses—Pensions." (See Case 208.)

CASE 303.

Query. At a certain point the A B Railroad crosses the Y Z Terminal Transfer Railroad, and neither company makes use of the other com-

pany's tracks. The A B Railroad maintains and operates the interlocker and bills the other company for one-half of the expense. The Y Z Railroad has taken the stand on this matter and many other similar crossings that the interlocker expense was not a joint-facility item between their company and the railroad that it crosses, but that it should be treated as though each company had its own set of employees and devices for protecting the crossing. It has been considered further by the Y Z Railroad that their proportion of the expense of such interlockers was a joint-facility item only as between their company and its tenants. What ruling should apply?

Answer. See Case 272.

CASE 304.

Query. We recently paid a personal injury claim brought on account of defective highway within the location lines of this company. The parties to whom this claim was paid were not employees of this company, nor passengers; neither were they engaged in any work in connection with the railroad. To what account should be charged the amount so paid?

Answer. To "Injuries to Persons," under Maintenance of Way and Structures.

CASE 305.

Query. A railroad pays a municipal corporation a fixed amount per annum for fire protection, which consists of the corporation laying water pipes and placing fixtures and supplying water pressure at all times. Should this be charged to "Buildings, Fixtures," etc., or not?

Answer. Should be charged to "Buildings, Fixtures, and Grounds," under Maintenance of Way and Structures, if in connection with buildings alone. If for protection of other property, it should be charged to appropriate maintenance accounts according to nature of property protected.

CASE 306.

Query. We rent a certain piece of land and build upon it our own depot. To what account should the rent be charged?

Answer. To appropriate rent account under Income Account.

CASE 307.

Query. We have leased a certain tract of land to prevent a street from crossing our track at grade, this property not being used for any purpose except a side track on same and used as a blind. To what account should the rent be charged?

Answer. To appropriate rent account under Income Account.

CASE 308.

Query. The A & B road is joint owner with the C & D road of a side track jointly used, and the maintenance is borne by the two companies in the ratio of ownership. Each company takes up in its primary accounts its share of the maintenance charges on the theory that in reality such proportions are, respectively, merely the maintenance of the property of each. The A & B road for convenience pays the full cost of maintenance, charges its primary accounts, and credits the C & D proportion when billed out to the same accounts. Is this correct?

Answer. No. Should be treated as a joint facility. The A & B road should charge its primary accounts with full cost of maintenance and should credit the proportion billed against the C & D road to "Maintaining Joint Tracks, Yards, and Other Facilities—Cr." The C & D road in paying these bills should charge "Maintaining Joint Tracks, Yards, and Other Facilities—Dr." The question of ownership should not bear upon the proper disposition of accounts for jointly used properties. The fact of such joint use should determine their treatment in the accounts as joint facilities. The road maintaining and operating should be the one to charge the full cost of such work to its primary accounts.

CASE 309.

Query. Should not an account "Injuries to Persons" be provided under the Classification of Expenditures for Road and Equipment, which account should include the expenses incident to the construction of a new line which may properly be classed under this account?

Answer. Such an account is provided.

See Supplement, effective on July 1, 1908, to Classification of Expenditures for Road and Equipment, First Revised Issue.

CASE 310.

Query. It seems to us that if it is correct and practicable (and we think it is) to charge witness fees to the various accounts covering damage to property, it is equally so in the case of personal injuries, and that witness fees in connection with personal injury suits should be charged to the various personal injury accounts, rather than to "Law Expenses." May we do so?

Answer. Payments to and expenses of employees and others engaged as witnesses in personal injury cases should be charged to the "Injuries to Persons" accounts under the proper general accounts and the texts

under the several "Injuries to Persons" accounts are amplified in accordance with the foregoing.

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 311.

Query. Should not a provision be made in the present Classification to take care of maintenance of machinery in bridges and buildings department—carpenter shops?

Answer. The text of Maintenance of Equipment account "Shop Machinery and Tools" is so amplified as to provide for the maintenance of machinery in shops of the bridges and buildings department so as to include all machinery and tools.

See Supplement, effective on July 1, 1908, to Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 312.

Query. How should the expenses of joint interlockers located at outlying points, and on stretches of joint tracks, be handled in the accounts?

Answer. See Case 272.

CASE 313.

Query. What account should be charged with the expense of draping stations along the line of the road? This expense has been charged to "General Expenses—Other Expenses," as we do not believe that "Transportation Expenses—Station Supplies and Expenses," is proper.

Answer. To "Other Expenses" under General Expenses.

CASE 314.

Query. (1) To what account should be charged amounts paid for personal injuries received by employees and others while line is in course of construction?

(2) To what account should be charged amounts paid for stock killed by construction trains?

(3) To what account should be charged amounts paid for damages caused by water overflow by reason of embankments, etc., incident to construction work?

Answer. (1) To account No. 35½, "Injuries to Persons."* (2) and (3) Should be included in cost of the work. Losses of the kind mentioned, incurred in connection with additions and betterments work,

should be charged to the cost of the work under the Classification of Expenditures for Additions and Betterments.

**See Supplement, effective on July 1, 1908, to the Classification of Expenditures for Road and Equipment for Steam Roads, First Revised Issue.*

CASE 315.

Query. The B railroad is in course of construction and desires to cross the A railroad with a double-track overhead bridge, the expense of construction being assumed by B, as well as the expense of any change that may occur in the line of A.

In order to properly locate the center pier of the overhead crossing of B on the right of way of A, it is necessary to shift to one side the telegraph line and one of the tracks belonging to A. Please advise to what account the expense incurred by the removal of the telegraph line and tracks of A should be charged in the accounts of B.

Answer. The cost of moving the tracks and telegraph line of another railroad to prepare a site for piers of a bridge on a line under construction should be charged to account No. 6, "Bridges, Trestles, and Culverts," in the Classification of Expenditures for Road and Equipment.

CASE 316.

Query. We have a road under construction and have been obliged to lay a number of temporary tracks which are now being partly or wholly taken up. The material from such tracks is given a certain fixed value. Should we charge to Operating Expenses the original cost less salvage and credit to construction the original cost of the tracks taken up, or should we credit to construction only the scrap value of the material taken from these tracks, leaving the balance of their cost as a charge against the construction account?

Answer. The cost of temporary tracks laid during construction of a new line should be charged to the appropriate accounts in the Classification of Expenditures for Road and Equipment, and the value of material removed therefrom credited, when removed, to the same accounts, thus leaving the remainder of the cost of such tracks charged to the appropriate primary accounts in that classification.

CASE 317.

Query. To what account should be charged expenditures in payment of damages either awarded by the courts or agreed upon out of court on account of washouts or overflow occasioned as a result of constructing new double track?

Answer. Charge to cost of constructing double track if that account be not closed, or to "Damage to Property," under Transportation Expenses, if the track has been accepted for operation.

CASE 318.

Query. Kindly advise whether account No. 41, "Work Equipment," or account No. 6, "Bridges, Trestles, and Culverts," in the Classification of Expenditures for Road and Equipment, is properly chargeable with the cost of a calyx drill and the boiler and engine used in connection with its operation? This drill is to be used in making test holes prior to the construction of a steel bridge.

Answer. If this drill and machinery are permanently mounted on a car the cost should be charged to account No. 41, "Work Equipment;" if not permanently mounted on a car and bought solely for use in connection with construction of bridges, the cost should be charged to account No. 6, "Bridges, Trestles, and Culverts," and the salvage, if sold, or the depreciated value, if retained for general use, credited to this account on the completion of the work. The depreciated value of these tools, when retained for general use as a part of the first outfit of a new road, should be charged to account No. 13, "Roadway Tools." If such tools, either when purchased new or when devoted to general use at the expiration of construction work on which they have been used, are not a part of the first outfit of tools for a new road or branch line the cost or value thereof should be charged to operating expenses account No. 18, "Roadway Tools and Supplies."

CASE 319.

(Answer not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 320.

Query. The text of revenue account No. 2, "Passenger Revenue," states that "the account should be charged with amount paid for transferring passengers and baggage between depots, except in cases where the transfer of both passengers and baggage is provided for in the division of the through rate." Will you please advise correct interpretation of this clause?

Answer. The paragraph referred to provides for charging "Passenger Revenue" with amounts paid to local transfer agents or companies when the cost of the transfer is included in the rate and has been credited to "Passenger Revenue." The exception refers to instances when the cost of the transfer is provided for in the division of the through rate and credited directly to the transfer agency.

CASE 321.

(Canceled.)

CASE 322.

Query. Kindly advise whether the text of revenue account No. 9, "Switching Revenue," referring to the words "on the basis of tariffs," is intended to mean tariffs filed with the Commission, or is it intended that the account should include any revenue derived from a fixed or arbitrary charge for any switching movement whether published in tariffs or an agreement between two carriers who perform switching service for each other?

Answer. "Switching Revenue" should include any revenue derived from any switch movement at a fixed or arbitrary charge per car irrespective of whether the charge is made on basis of rates published in a tariff filed with the Commission or under an agreement between two carriers who perform switching service for each other.

See Supplement, effective on July 1, 1908, to the Classification of Operating Revenues, First Issue.

CASE 323.

(Canceled.)

CASE 324.

(Canceled.)

CASE 325.

Query. This company moved three special trains carrying soldiers, wagons, horses, grain, hay, and camp accouterments. Special rates were made per capita for the soldiers, per carload for the horses, and per hundredweight for the hay, grain, etc., based on carload and less than carload. What account should be credited with revenue earned?

Answer. Revenue account No. 10, "Special Service Train Revenue."

CASE 326.

(Answer not finally approved. *See Accounting Series Circular No. 12c.*)

CASE 327.

Query. The text of account No. 18, "Rents of Buildings and Other Property," reads in part as follows:

"This account includes a carrier's revenue from rents of buildings, land, and other property, such as depot and station grounds and buildings, union depot, etc., when such property is used in connection with operations and the expense of maintaining and operating it can not be separated from the expense of that portion used by the carrier."

Accounting Series Circular No. 14, relating to "Joint Facilities Accounts," provides in part as follows:

"For the purpose of these accounts union depot, bridge, and similar companies will be considered common carriers."

(a) Is there not a conflict in the separate instructions above mentioned?

(b) Am I correct in assuming that bills rendered by one carrier against another for rents of depots, station grounds, buildings, union depots, etc., should be treated by both the debtor and creditor carriers as joint facilities?

(c) Am I also correct in assuming that the instructions above quoted relating to revenue account No. 18, "Rents of Buildings and Other Property," applies only to rents collected by a carrier from individuals and companies *other than carriers* for use of property as enumerated in the text under conditions mentioned therein?

Answer. (a) No.

(b) Yes; if used jointly.

(c) Revenue account No. 18, "Rent of Buildings and Other Property," may include rents collected from another carrier when the property is not used as a joint facility; also rents from firms and individuals under conditions enumerated in the text of that account.

CASE 328.

Query. To what account should be credited the difference between the value of special-admission amusement coupons issued in connection with transportation and the amount paid on the basis of actual collection?

Answer. Revenue account No. 19, "Miscellaneous."

CASE 329.

Query. We participate in the payment of a deficit in the operation of the Union Station. This station makes a small amount of independent earnings. Should we not credit revenue account No. 19 with our proportion of the revenue of the Union Station and charge our joint-facilities accounts with our full proportion of the station's expenses?

Answer. The Supplement, effective on July 1, 1908, to the Classification of Operating Revenues, First Issue, provides a new primary account entitled "Joint Facilities Revenue—Cr.," to which should be credited a carrier's proportion of revenues from joint facilities operated by other carriers, including Union Station companies. The full amount of the proportion of expenses of such joint-facilities borne by a carrier should be charged by it to the appropriate joint-facilities operating expense accounts.

CASE 330.

Query. Our general manager and general superintendent have direct supervision over three departments; namely, Maintenance of Way and Structures, Maintenance of Equipment, and Transportation. Should their salaries and expenses be prorated to the departments benefited or charge to "Transportation Expenses—Superintendence?"

Answer. Salary and expenses should be divided equally and charged to "Superintendence" under the general accounts for the several departments.

CASE 331.

Query. We employed a detective agency to discover the person who placed an obstruction on our tracks with the evident intent of wrecking a passenger train, as a result of which a section hand car was derailed and a man killed. I am at a loss to know to what account this expense should be charged.

Answer. It should be charged to "Superintendence" under Transportation Expenses.

CASE 332.

Query. It has been our custom for several years past to charge a certain amount each month to Rails and Ties, crediting the amount so charged to special Rail and Tie accounts, and when purchases were made same were charged to these special accounts.

In case we are unable to purchase ties and rails as fast as we would like, thereby leaving on our books the special accounts referred to unexpended, will we be permitted to carry these special accounts over into another year to be available for ties and rails when they can be bought?

Answer. Attention is directed to Note B under accounts "Ties" and "Rails" (Maintenance of Way and Structures, Classification of Operating Expenses, Third Revised Issue), and answer to Case 32. Carriers are authorized to charge off depreciation on way and structures in the answer to Case 40.

CASE 333.

Query. If we should buy a quantity of ties during the current month to be used for replacement during the next five or six months, should the amount expended for same be included in the current report of expenses or should it be distributed in proportion to the per cent of material used during the various months; and in the event this invoice was not paid until the following month, in what month should it be included for report of expenses?

Answer. Expenses should be charged in the month in which they occur. In the case of material the expense occurs when the material is applied and not when it is purchased. Exception to this general rule is made in the case of rails and ties, which may be apportioned over the several months of the fiscal year, the total charge being in every case equal to the total expense of the material actually applied.

Material purchased not for immediate use should be carried in appropriate stock accounts until used.

CASE 334.

Query. Referring to Note B under captions "Rails" and "Ties," my understanding of these notes is that the apportionment of rail and tie renewals by months is left to the discretion of carriers. There are practically no rail and tie renewals during the first two months on this company's lines, and it has been the custom to prorate the estimated renewals over the remaining ten months. Is this permissible?

Answer. There are no objections to the plan proposed.

CASE 335.

Query. In the case of a renewal of a bridge July 1, 1907, the original cost of which was \$10,000 and the cost of renewing \$12,000, should we charge the \$10,000 to a ledger account "Depreciation prior to July 1, 1907," or is it a proper charge to current operating expenses?

Answer. Charge to operating expenses.

See paragraph 5 of General Instructions in Classification of Expenditures for Additions and Betterments.

CASE 336.

Query. We expended a considerable amount of money in the removal of brasses from cars stored in hazardous locations to prevent the loss of brasses by theft. Should the charge be made to "Other Expenses" under Maintenance of Equipment?

Answer. To the proper car repairs account under Maintenance of Equipment.

CASE 337.

(Answer not finally approved. *See Accounting Series Circular No. 12c.*)

CASE 338.

(Answer not finally approved. *See Accounting Series Circular No. 12c.*)

CASE 339.

Query. Should depreciation, repairs, or operation of steam wrecking derricks be charged to Maintenance of Way and Structures when they are not used or manned by that department or employed upon any work within its jurisdiction?

Answer. Repairs, renewals, and depreciation of steam wrecking derricks should be charged to "Work Equipment—Repairs," "Work Equipment—Renewals," and "Work Equipment—Depreciation," respectively, regardless of the class of work in which such derricks may be engaged. The Supplement, effective on July 1, 1908, to the Classification of Operating Expenses, Third Revised Issue, provides for the transfer of these three accounts from Maintenance of Way and Structures to Maintenance of Equipment.

Expenses of operating this class of equipment should be included in the cost of the work in which it may be engaged.

CASE 340.

Query. To what account should be charged the cost of car seals used in securing freight cars?

Answer. To Material account when purchased; to "Station Supplies and Expenses," when issued.

CASE 341.

Query. There is considerable expense in connection with revenue derived from storage on baggage, such as printing storage tags and labor in stamping thereon date of arrival and date storage commences. Should these items be charged to account No. 15 "Storage—Baggage;" if not, what account is chargeable?

Answer. Printing storage tags is chargeable to "Stationery and Printing" under Transportation Expenses. Labor in baggage storage rooms at stations is chargeable to "Station Employees."

CASE 342.

(Answer not finally approved. *See Accounting Series Circular No. 12c.*)

CASE 343.

(Answer not finally approved. *See Accounting Series Circular No. 12c.*)

CASE 344.

(Answer not finally approved. *See Accounting Series Circular No. 12c.*)

CASE 345.

Query. Please advise if rent of offices occupied by the legal department should be charged to "Law Expenses."

Answer. Yes. (See Case 35.)

CASE 346.

(Answer not finally approved. See Accounting Series Circular No. 12c.)

CASE 347.

Query. A pay check forwarded to a laborer in an extra maintenance of track gang was taken out of the mail by another party who forged the signature and collected the money. The laborer made a demand for payment and a duplicate pay check was forwarded to him. Please advise to what account the loss should be charged.

Answer. To "Other Expenses" under General Expenses.

CASE 348.

Query. Depreciation charges on locomotives and passenger cars of this company have hitherto been made at a monthly division of one-twelfth of 10 per cent per annum of the original cost. In the opinion of the present management this is altogether too high, local conditions and mileage considered. It is asked whether, pending investigation as to the rate of wear and tear on equipment of roads of similar conditions, it is proper that no charge be made for depreciation until proper statistics for an intelligent computation can be obtained, the excess, if any, to be charged later this fiscal year?

Answer. This office can not modify the provisions of an order of the Commission regarding the depreciation charges to be set up. No definite percentage has been fixed for this purpose, that matter being left to the discretion of the carrier until such time as this office is prepared to recommend a specific rate.

CASE 349.

(Canceled.)

CASE 350.

(Canceled.)

CASE 351.

(Answer not finally approved. See Accounting Series Circular No. 12c.)

CASE 352.

Query. We have two box cars standing in our Equipment account at the salvage value only. One of the departments of the road desired the bodies of the cars to be used as bunk houses for laborers, and after making this disposition of the bodies the trucks were put in service of our maintenance of way department for wrecking purposes. Should the value of the cars be credited to Replacement of Equipment?

Answer. Charge each department with its proportion of the salvage value of the whole car, and credit the same to "Replacement" account. The "Replacement" account should then be cleared as provided for in the text of account No. 33, "Equipment," in the Classification of Expenditures for Additions and Betterments."

CASE 353.

Query. Under each of the Equipment—Repairs accounts may be found the following text:

"The value of old material released during repairs, insurance recovered, and repayments from other roads should be credited to this account."

It might be inferred from the words "insurance recovered" that all equipment insurance should be so treated. Is it not a fact, however, that in case of the total destruction of equipment any amount recovered from insurance should be credited to Replacement accounts through the medium of Equipment Renewals while the insurance for partial damages should be credited to repairs?

Answer. The text of Repairs accounts refers to insurance recovered on equipment repaired and returned to service. Insurance recovered on equipment totally destroyed should be credited to Replacement accounts.

CASE 354.

(Answer not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 355.

(Answer not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 356.

(Answer not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 357.

Query. The A & B Railroad makes a bill against the C & D Railroad for water furnished from a standpipe located between our two tracks based on an arbitrary charge of \$22.50 per month. Should not this amount be charged to water supply for locomotives?

Answer. Should be charged to or apportioned between accounts No. 74, "Water for Yard Locomotives," and No. 83, "Water for Road Locomotives," as the case may be.

CASE 358.

Query. The A & B Railroad pays for water through a certain standpipe at the rate of so much a year, and the amount so paid is charged to the primary account "Water for Road Locomotives." An arrangement is made whereby the X Y Railroad has the privilege of using water from the same standpipe at a fixed sum per annum. To what account should the A & B Railroad credit its bill against the X Y Railroad for water taken by the latter?

Answer. Credit to "Water for Road Locomotives." (See Case 357.)

CASE 359.

Query. The A & B Railway Company employs street watchmen to guard street crossings for the safety of vehicles, which expense is charged to "Crossing Flagmen and Gatemen." The expense is prorated among three lines operating over the yards where these flagmen are employed. Should the amounts received be credited to "Operating Joint Yards and Terminals—Cr.?"

Answer. Yes. Such men are employed in connection with the operation of a joint facility.

CASE 360.

Query. The A & B Railroad Company has a drawbridge over a bayou for the operation of which they employ bridge men, the expense being prorated among four railroads. Should the compensation received from the roads be credited to "Operating Joint Yards and Terminals?"

Answer. If the bridge is in a yard, credit "Operating Joint Yards and Terminals—Cr.;" if on road, credit "Operating Joint Tracks and Facilities—Cr."

CASE 361 (amended).

Query. Referring to the accounts under Transportation Expenses, "Operating Joint Yards and Terminals," and "Operating Joint Tracks:"

(a) Should all debits and credits to the first-named account be confined to cost of operating joint yards, terminals, and other facilities located at terminals or within the yard limits of terminals only?

(b) In the case of interlocking plants, station buildings, etc., owned jointly by two or more carriers and operated by one for the benefit of all, I would like to inquire if it is proper to treat such expenses as joint facilities, bearing in mind the fact that Accounting Series Circular No. 14 provides only for facilities owned by one carrier and regularly operated jointly for the benefit of one or more carriers?

Answer. (a) Yes. (b) The ownership of a facility jointly used does not affect the manner of accounting as between the operating and tenant companies.

See amended text of the accounts named in Supplement, effective on July 1, 1908, to the Classification of Operating Expenses for Steam Roads, Third Revised Issue.

CASE 362.

Query. This company runs its passenger trains over 6 miles of the X. Y. Z. Railway Company's tracks, for which privilege we pay a certain percentage of our passenger earnings. To what account should we charge this payment?

Answer. If this payment constitutes the entire compensation for the use of the track, the case is one of joint facilities and the compensation should be apportioned among the appropriate joint-facilities operating expense accounts, and rents under Income Account. (*See Case 371.*)

CASE 363.

Query. To what account should be credited our bill against another line for its proportion of a joint through-train service?

Answer. Not a joint facility. Should be credited to the proper primary accounts. (*See Case 286.*)

CASE 364.

Query. This company has an arrangement with other lines whereby we allow them trackage rights within a certain district, and this company receives as compensation a fixed charge per car, based on published tariffs. This charge is apportioned to Joint Maintenance, Operating, and Income accounts, and the division is based upon estimates and available statistics for previous years.

What account should be credited for an amount billed against one of these tenants for an accident damaging our tracks and some of the equipment of other carriers resting upon our tracks, and an amount paid to one of our employees in settlement of personal injury occasioned by such accident, it being understood that the railroad causing an accident shall pay the expenses incidental thereto, over and above the amount they pay us for trackage?

What account should be credited providing the tenant line was chargeable with but 50 per cent of the expense because of the joint liability of this company?

Answer. The amount billed should be credited to the accounts which bore the original charges covering the expenses occasioned by the accident. This means that your primary accounts are treated as clearing accounts to the extent of the adjustment between yourself and the tenant carrier.

CASE 365.

Query. We have included under heading "Revenue from Operations Other Than Transportation," revenue derived from rent of a section of our road and interest on bank deposits. Will you kindly advise me if these amounts are properly shown?

Answer. Both items mentioned should be carried directly to Income Account, neither rent of tracks nor interest on bank deposits being a proper credit to Revenue. We assume the rented section of the road is not operated jointly.

CASE 366.

(Answer not finally approved. See *Accounting Series Circular No. 12c*).

CASE 367.

(Answer not finally approved. See *Accounting Series Circular No. 12c*).

CASE 368.

Query. The A B Railroad Company hires locomotives for the operation of its yards. The cost is charged to "Hire of Equipment" and prorated according to the number of cars handled among three lines for which we perform switching service. Should these amounts received be credited to "Hire of Equipment" account?

Answer. Yes.

CASE 369.

Query. To what account should we charge the cost of wharfinger license; i. e., license from the city for doing business over the wharf?

Answer. This charge appears to be analogous to rent and should be treated as an income charge.

CASE 370.

Query. Kindly advise to what account we should charge the amount paid for lease of ground to be used as a roadway to sidetrack on our main line at a point where we have no station.

Answer. Should be charged to appropriate rent account under Income Account.

CASE 371.

Query. I hand you copy of bill rendered against this company by the A B C Railway for proportion of expenses at a terminal. You will note this company is charged one-third based on salaries and supplies. The A B C Company seems to be of the opinion that the distribution should be—

	Per cent.
Maintaining joint tracks, yards, and other facilities.....	10
Operating joint yards and terminals.....	25
Income account rent.....	65

We can not see how any portion of the expense can be considered "Rent," as it is based on salaries and supplies. No copy of the agreement can be located, and we refer the matter to you for decision as to the proper distribution to apply.

Answer. If the A B C Railway owns the property operated jointly, it would be proper to distribute a proportion of the amount charged to Rents, if the amount is in excess of the cost of operation.

CASE 372.

Query. The A & B Railroad has an agreement with the C & D Railroad by which the former uses the tracks of the latter between two points, paying therefor a rent based upon valuation, and also a proportion of maintenance and operating expenses based upon wheelage.

(a) The A & B honors on its trains between the points mentioned tickets sold by the C & D and collects from the C & D 40 per cent of the value of such tickets. How should each road take this into account?

(b) The A & B collects cash fares on its trains between the points mentioned and pays the C & D 60 per cent of such collections. How should each road take this into account?

(c) The C & D honors on its trains between the points mentioned tickets sold by the A & B and the A & B pays the C & D therefor the full local rate collected. How should each road take this into account?

Answer. (a) The A & B should credit the full price of the ticket to its "Passenger Revenue" account and should charge 60 per cent of the same to "Rents Paid;" the C & D should credit the 60 per cent proportion to "Rents Received."

(b) The A & B should charge to "Rents Paid" and the C & D should credit to "Rents Received" the 60 per cent payment.

(c) The A & B should charge and the C & D credit "Passenger Revenue" the full price of the tickets.

CASE 373.

Query. Should a proportion of the expenses of the store and purchasing department pertaining to materials passed through the storehouse and used for addition and betterment work be charged to Additions and Betterments? If so, is this not in conflict with explanatory note in Circular 11 regarding engineering expenses?

Answer. Note C, page 85, and the explanatory note on page 58, in the Classification of Operating Expenses, Third Revised Issue, indicate that a portion of the expenses of store and purchasing department should be charged on account of all material issued, and would therefore include material for additions and betterments. The rule laid down in explanatory note on engineering expenses in Accounting Series Circular No. 11 does not conflict with the above interpretation.

CASES 374, 375, AND 376.

(Answers not finally approved. See Accounting Series Circular No. 12c.)

CASE 377.

Query. Referring to Accounting Series Circular No. 11, accounts Nos. 11 and 12, we wish to inquire if "terminal yards" includes terminals for passenger trains as well as terminals for freight trains? Do terminal yards include all junction points of company's branch lines as well as yards at junction points with other railroads, whether such junction points are the end of the division or are points on the road between train terminals? Should all unloading tracks, freight-house tracks, and other tracks for local business at terminals be included under terminal yards or under siding and spur tracks?

Answer. Terminal yards, strictly speaking, are yards maintained for switching purposes at division terminals. Small yards at the junction of main and branch lines, or at the junction of other railways, may thus be terminal yards so far as the branch or junction line is concerned, provided the yard is at the terminus of the branch or junction line. Terminal yards are in a measure distinct as a class by being not directly or wholly required by the local conditions of traffic, but for the switching of through trains or the handling of cars which must necessarily be switched but which do not originate at the point switched.

Sidings and spur tracks should include all freight-house tracks, team tracks, passing tracks, or tracks upon which freight is unloaded, such as tracks to elevators, industries, mines, or other places which are used for a direct delivery of freight.

CASES 378 AND 379.

(Answers not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 380.

Query. Will you kindly advise the proper account to be credited with \$3,000 received by a carrier for the surrender of an unexpired lease for offices occupied by it?

Answer. Should be credited to Profit and Loss.

CASE 381.

Query. Please advise how engine mileage should be classed for service performed by one of our locomotives furnished, with crews and supplies, to individuals on a per diem basis, all the mileage being made on our line while in such service.

Answer. If the "individual" is not a common carrier reporting to the Commission, the mileage made by the locomotive should be disregarded.

CASE 382.

Query. Owing to certain of our freight yards becoming congested we find it necessary to deliver cars at another point temporarily. Movement is made by special train and distance involved is 1 to 3 miles. Should the movement be included with freight-train miles or considered a switching or yard movement of which no wheelage report would be made other than for the locomotive?

Answer. Mileage should be considered merely as switching or yard movement.

CASE 383.

Query. A lumber company's log train uses our line for a distance of 40 miles between their lumber camp and mill. The equipment is owned by the lumber company and is operated by their employees, although, while on our line, the trains are under orders of our dispatcher. We receive revenue for this service on a mileage basis. Should this mileage be taken into our statistics, and if so, under what class of mileage should it be shown?

Answer. No mileage should be taken into your statistics, even though the trains are under the order of your dispatcher.

CASE 384.

Query. The distribution of the cost of fuel, stores, and other supplies for engines and yard service, which should be made upon the basis of mileage of work locomotives, is deferred until the month following that in which the expense is incurred, as we do not get our distribution of work-locomotive mileage until the succeeding month. Is this permissible?

Answer. No.

CASE 385.

(Answer not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 386.

(Answer not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 387.

Query. To what account should be charged commissions paid to ticket agents in lieu of salary?

Answer. The same account to which the salary would be charged. (See Case 64.)

CASE 388.

Query. Concrete mixers are provided for under "Work Equipment," in the Classification of Expenditures for Road and Equipment, First Revised Issue. Does that account cover a mixer mounted on a car?

No reference being made to concrete mixers in the Classification of Operating Expenses, is it correct to assume that the cost of a concrete mixer not mounted on a car should be charged to "Roadway Tools and Supplies?"

Answer. The account "Work Equipment," in the Classification of Expenditures for Road and Equipment, should be charged only with cost of concrete mixers permanently mounted on cars. When not so mounted, and when chargeable to "Expenditures for Road and Equipment," the cost of concrete mixers should be included in the cost of the work on which they are used. If retained for use in the operation of the road, the fairly appraised value of the mixers may be charged to account No. 13, "Roadway Tools."

If concrete mixers are not part of the first outfit of tools for a new road or branch line, or purchased for specific additions and betterments work, it is proper to charge the cost thereof to account No. 18, "Roadway Tools and Supplies," in the Classification of Operating Expenses.

CASE 389.

Query. In Case 137 it appears that floating equipment must be in revenue service to have cost of operation classified as "Operating Floating Equipment" under Transportation Expenses.

To what account should be charged the expense of operating a launch used for inspection of bridges and to transport officials to and from various properties of a railroad company along the water front?

Answer. If the launch is used in connection with rail operations, the expenses are similar to the expenses of special cars for officials and should be disposed of in a similar manner.

CASE 390.

(Answer not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 391.

Query. Should front-end paint applied to locomotives be charged to "Enginehouse Expenses"—yard or road, as the case may be—or to "Steam Locomotive—Repairs?"

This paint is applied to the front end of locomotives to prevent rust and improve their appearance. It is applied by enginehouse employees when engines are in for cleaning, etc., as indicated under account "Enginehouse Expenses." It is contended that the cost is chargeable to Maintenance rather than to Transportation Expenses.

Answer. Front-end paint applied to locomotives should be charged to "Enginehouse Expenses."

CASE 392.

Query. Owing to the opening under a bridge not being sufficiently large, lands upstream have been inundated and claim for damages has been made on that account.

A strict wording of the "Damage to Property" account justifies charging the damages to that account. This interpretation is not acceptable, as the "Damage to Property" account is one of the "Transportation Expenses," accounts and the payment in the case cited would have absolutely nothing to do with conducting transportation.

Answer. Should be charged to account No. 101, "Damage to Property." (See Cases 38, 314, and 317.)

CASE 393.

Query. The contract between this company and the A B Railway, under which we use the terminals of the A B Railway at X, provides

for the furnishing of sundry material and supplies required for the repairs of this company's equipment in the A B Railway Company's shops which are joint facility. A large portion of the issues for this purpose are from the exclusive storehouse of the A B Railway. What accounts should be credited and charged by the respective companies?

In this connection kindly advise the correct accounts to be credited and charged by the respective companies with the labor cost of repairs to this company's equipment in the joint shops. It has been our practice to make direct charges to our operating expense accounts as far as it is possible to identify such charges.

There are certain general expenses in connection with the operation of the joint shops which can not be apportioned direct to the work done, and it is provided in the contract that such expenses shall be apportioned between the two companies on basis of the relative value of the work performed for the respective companies. Should the amount of such expense be credited by the lessor company to "Maintaining Joint Equipment at Terminals" and charged to corresponding account by the lessee? There is no direct charge against the joint yard for repairs to equipment, as such repairs are taken care of in the rental charge.

Answer. The cost of repairing road equipment should be assessed directly against the road benefited, as it is not a joint facility.

The text of "Clearing Account—Shop Expenses" on page 55 of the Classification of Operating Expenses, gives full directions for charging out undistributed expenses.

CASE 394.

Query. In various contracts between this company and other companies for use of joint facilities, it is provided that certain percentages shall be added to material charges, and in some cases to labor charges. The amount added to material charges is sometimes specified as storehouse expense, and in other cases it is probably to cover profit. The additions to labor charges are sometimes specified as covering superintendence and sometimes profit. These additions appear in various places throughout the bills rendered by the lessor company.

Kindly advise to what account the lessor company should credit the amounts received from these sources, and also the account that should be debited by the lessee company.

Answer. The lessor should credit the appropriate joint-facilities operating expense accounts; the lessee should charge the corresponding accounts. (See Case 246.)

CASE 395.

Query. This company has several contracts with other companies for the use of tracks and other joint facilities. These contracts, in several instances, provide that supplies and the material used for repairs shall be charged at invoice prices plus freight charges. The freight charges cover transportation of the material over the railroad of the lessor company.

What accounts should be credited and charged with the amount of these freight charges by the respective companies?

Answer. Bills rendered by an operating road to tenant companies for their proportion of the cost of maintenance should include a proper proportion of freight charges, and the entire amount of such bills for maintenance should be credited and charged by the roads in interest to "Maintaining Joint Tracks, Yards, and Other Facilities" accounts. No charges should be made to the operating expense accounts of the company maintaining such facilities for its own proportion of such freight charges.

CASE 396.

Query. Please advise disposition of damages paid on account of injury to a horse through catching its heel caulk in a crossing plank. This was manifestly a Maintenance of Way item, and charged by us to that account under "Other Expenses."

Answer. Charge to account No. 102 "Damage to Stock on Right of Way."

CASE 397.

Query. To what account should be charged rent of offices occupied by the advertising department?

To what account should be charged rent of offices occupied by the superintendent of telegraph?

Answer. Rent of offices used by the advertising department should be charged to "Traffic Expenses—Advertising."

Rent of offices used by the superintendent of telegraph should be charged in accordance with Note A under account No. 14, "telegraph and Telephone Lines," when his services are devoted both to the operation and the maintenance of telegraph and telephone lines.

CASE 398.

(Answer not finally approved. See Accounting Series Circular No. 12c.)

CASE 399.

Query. The A B Railroad renders a bill against the C D Railroad for cost of repairs to an engine of the A B Railroad damaged on account of defective track of the C D Railroad. The A B Railroad credits its bill to "Steam Locomotives—Repairs."

Should the C D Railroad charge the amount of the bill to "Other Expenses" under Maintenance of Way and Structures?

Answer. The C D Railroad should charge to account No. 101, "Damage to Property," and the A B Railroad should credit to account No. 25, "Steam Locomotives—Repairs."

CASE 400.

(Answer not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 401.

Query. We have a case where an arbitration committee has awarded a suspended switchman his regular wages during suspension. To what account should the amount paid the suspended employee be charged?

Answer. To "Other Expenses" under Transportation Expenses.

CASE 402.

Query. Our mechanical department has made a bill against the fuel department for labor, consisting of the time of hostlers and hostler helpers used in pulling down pockets of coal chutes, raking coal from them into engine tenders, and trimming the tenders when engines take coal; also for the labor of moving small dump cars at certain chutes and trimming the tenders. Please advise whether the fuel department should be charged with this expense, or should it be charged to "Enginehouse Expenses—Road."

Answer. It should be charged to account No. 73, "Fuel for Yard Locomotives," or to No. 82, "Fuel for Road Locomotives," as the case may be.

CASE 403.

Query. To what account should be charged expense of placing rail rests along the line? These are notched posts for the support of one or two lengths of rail to be used in emergency. The number of rests to be erected is not sufficient to warrant classing as additions or betterments.

Answer. When chargeable to "Operating Expenses" the cost of such rests should be charged to account No. 6, "Roadway and Track."

CASE 404.

Query. The A B Railroad has among others the following officers: superintendent of maintenance of way and structures, superintendent of motive power, vice-president in charge of traffic, and superintendent of transportation.

As this company considers these officers general officers, and as they occupy space in our general office building which we rent, should we charge the entire rent of such office building to "General Office Supplies and Expenses" or should it be apportioned among the various departments occupying the offices?

Answer. The text of account "General Office Supplies and Expenses" is intended to provide for charging to that account rent and repairs of general offices used by the general officers enumerated in account "Salaries and Expenses of General Officers."

When the general offices of a carrier are occupied by officers other than general officers enumerated in the accounts under General Expenses, the expense should be apportioned to the departments benefited.

CASE 405.

Query. This company pays annually to the A B Railroad \$1 for rent of 76 feet of track which connects our track with a division of the A B Railroad.

It is our understanding that this \$1 should be charged to "Operating Joint Tracks" under Transportation Expenses, as shown on page 84 of the Third Revised Issue of Classification of Operating Expenses. Is this correct?

Answer. The information contained in your query indicates that the payment should be charged to rent, under Income Account.

CASE 406.

Query. To what account should be charged amounts paid as rents for driveways at stations?

Answer. Should be charged to an appropriate rent account under Income Account.

(CASES 407 AND 408.

(Answers not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 409.

Query. The contract between this company and the A B Railroad provides that the expense of operating a certain roundhouse shall be

divided upon the basis of the number of engines handled. This expense has therefore been apportioned to the A B Railroad, this company, and the C yard upon the basis of the number of engines handled for each party.

The amount accruing to the C yard has been divided between the A B Railroad and this company upon the same basis used for the division of other joint yard expenses, the amount being credited by the A B Railroad to "Operating Joint Yards and Terminals—Cr.," and charged by this company to "Operating Joint Yards and Terminals—Dr." The proportion accruing to this company has been charged to operating expense account, "Enginehouse Expenses—Road."

Is this distribution correct, or should the entire amount be credited by the A B Railroad to "Operating Joint Yards and Terminals—Cr." and charged by this company to "Operating Joint Yards and Terminals—Dr.?"

Answer. The operating company in this case should charge its primary accounts with all the operating cost of this roundhouse and credit amounts billed against other companies to the appropriate joint-facilities accounts, and the debtor company should charge the corresponding joint-facilities accounts.

CASE 410.

Query. The contract between this company and the A B Railroad provides that passenger-train cars shall be cleaned, watered, iced, coaled, and provided with oil or gas for lighting purposes, and the expense thereof shall be settled for monthly on the basis of cost of service rendered and supplies furnished.

Kindly advise the accounts to which this expense should be credited and charged by the respective companies, also in what manner oil used for oiling cars should be accounted for, said oil being charged on the basis of the number of cars oiled; it being estimated that a certain quantity of oil will be sufficient to oil a specified number of cars.

Answer. Under the circumstances described, the operating company should bill the other company for the cost of supplies furnished and labor expended, and the amounts of such bills should be credited, or debited, as the case may be, to the appropriate primary accounts. The services outlined do not constitute a joint facility, although the work may be done at a terminal or yard operated as a joint facility.

CASE 411.

Query. The contract between this company and the A B Railroad provides for the joint operation of a fuel station in a yard. In this

structure separate bins are provided, and each company furnishes its own coal delivered in cars at the coal station. The coal used by the yard engines is furnished from the A B Railroad's supply, charge being made against the joint yard for such issues.

The expense of operating this fuel station is apportioned on the basis of coal issued to the road engines of the two companies and that issued to the yard engines. It has been customary, heretofore, to charge a proportion of the cost of operating the fuel station to the joint yard, and divide this proportion on the same basis as other joint-yard expenses are divided. A direct charge is then made to Operating Expenses, "Fuel for Road Locomotives," of the amount representing issues to our road engines.

Please advise if this distribution is correct, or should the entire expense of operating this joint fuel station be charged to account "Operating Joint Yards and Terminals—Dr." and corresponding credit made by the A B Railroad?

Answer. It appears from your statement that this fuel station is a joint facility and that the maintenance thereof should be handled through the joint-facility accounts; but the cost of the fuel, including the cost of handling, should be charged directly to the primary accounts of each road.

CASE 412.

Query. The contract between this company and the A B Railroad, under which this company uses the terminals of the A B Railroad at Y, provides for furnishing material and supplies required for use in the operation of this company's line extending south from Y, as it may be more convenient to obtain such material from that source than from this company's storehouses located at points on our line.

Under this arrangement we secure material and supplies for use on our road engines and on our trains. The storehouse referred to is not included in the schedule as a joint structure. It has been our practice to make direct charge to our operating expense accounts for the material and supplies issued from the above storehouse.

Is this distribution correct, and if not correct, what accounts should be credited and charged by the respective companies?

Answer. Should be charged, or credited, to the appropriate primary operating expense accounts.

CASE 413.

Query. The Supplement, effective on July 1, 1908, to the Classification of Operating Expenses issued by the Interstate Commerce Commission on July 1, 1907, eliminates from the "Work Equipment—Re-

pairs" account "also cost of repairing commercial cars and locomotives when assigned to and in maintenance of way service."

We do not find that any provision has been made under the accounts "Steam Locomotives—Repairs" and "Freight-Train Cars—Repairs" for distributing this expense. Was it intended to charge such repairs to the work on which the equipment was engaged?

Answer. The cost of repairing commercial cars and locomotives under Classification of Operating Expenses, as amended by the Supplement, effective on July 1, 1908, is to be included in the appropriate accounts under Maintenance of Equipment regardless of whether such cars and locomotives are assigned to maintenance of way service or commercial service, and repairs to equipment in such service should not be charged to the work on which the equipment is engaged.

CASE 414.

Query. This company operates two freight houses at our terminal and furnishes all the facilities and labor for handling merchandise shipments for our tenant lines. Their proportion is more than two-thirds of the business handled. We charge them for this service so much per ton. A monthly bill is rendered for part of the expense, and part is collected by our local agent.

To what account should the amount collected by bill and the amount collected by local agent be credited?

Answer. The portion of the charge representing maintenance and operation should be credited to the appropriate joint-facilities accounts in Operating Expenses; that portion representing payment for the use of capital and for taxes should be credited to an appropriate rent account under Income Account.

CASE 415.

Query. The freight cars for equipping our railroad were purchased principally in X and were loaded out to Y with freight. Some of the cars were diverted and held off our line for several months.

What construction account should be credited with the receipts from the hire of these cars?

Answer. The question indicates that the equipment is intended for use on a road under construction and not opened for regular traffic. If so, it is proper to credit the receipts to account No. 35, "Earnings and Operating Expenses During Construction," in the Classification of Expenditures for Road and Equipment. If the road has been regularly opened for traffic, the amounts should be credited to "Hire of Equipment" in Income Account.

CASE 416.

Query. A certain wharf company with switching facilities rents us an engine and switching crew at a rate per hour. This switching is performed for us because our regular crew is not able to take care of all our business. The engine is used only at certain hours on certain days during the month, and, as above stated, is paid for at a rate per hour.

To what account should we charge this expense?

Answer. The amount paid should be divided into two portions: one portion being distributed to the proper primary accounts under Operating Expenses to cover the services of the crew and any engine supplies that may be included in the payment, and the other portion being charged to "Hire of Equipment" for use of the engine.

CASES 417 TO 421, INCLUSIVE.

(Answers not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 422.

(Canceled.)

CASES 423 TO 442, INCLUSIVE.

(Answers not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 443.

Query. A question has been raised in regard to the distribution of the pay of "rock watchmen." This appears to be covered by the present Classification of Operating Expenses under the head of "Roadway and Track." The maintenance of way department, however, points out that these men have nothing whatever to do with strictly maintenance work such as repairs, etc., but are concerned solely in the operation of trains, the same as a flagman at a grade crossing.

To what account should the pay of these rock watchmen be charged?

Answer. To "Roadway and Track," under Maintenance of Way and Structures.

CASE 444.

(Answer not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 445.

Query. Trainmen, enginemen, and yardmen are occasionally summoned to the office of a division superintendent to attend an investi-

gation in an endeavor to place responsibility for accidents on the line of road.

To what account should their wages be charged?

Answer. To account No. 61, "Superintendence" under Transportation Expenses.

CASE 446.

(Answer not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 447.

Query. To what account should be charged the wages of trackmen engaged in unloading coal to be used for heating purposes in stations where no regular station laborers are employed?

Answer. To "Station Supplies and Expenses" under Transportation Expenses.

CASE 448.

Query. To what account should be charged amounts paid as fees to directors for attending meetings?

Answer. To "Other Expenses" under General Expenses.

CASE 449.

Query. Ballast cars, engaged in transporting granite dust to be used in paving around stations, buildings, etc., become leaky and the foreman in charge of the train purchases baled hay to be used in stopping the leaks.

To what should the cost of the hay be charged?

Answer. Such expenses should be considered as a part of the cost of the material, and charged to the appropriate accounts as determined by the purpose for which the material is used.

CASE 450.

Query. A bridge was damaged by a wreck which was cleared within an hour. Although it was possible to repair the bridge where it stood, the management considered it economy to remove the bridge to the shops for repairs.

Pending the repairs, a temporary pile structure was installed. To what account should the cost of the temporary bridge be charged?

Answer. To operating expense account No. 9, "Bridges, Trestles, and Culverts."

CASE 451.

Query. Referring to Accounting Bulletin No. 1, covering decisions upon questions raised under Classifications prescribed by the Com-

mission, and effective on July 1, 1908, it is stated therein that the bulletin contains final answers to a series of questions submitted to the Bureau of Statistics and Accounts. The bulletin was not issued as an order of the Commission.

Are these decisions subject to revision or cancellation at any time by the Bureau of Statistics and Accounts or by the Commission? Reference is had particularly to Cases 109 and 171.

Answer. The Accounting Bulletins are not issued under order because the cases therein are regarded as interpretations of existing classifications and supplements, which classifications and supplements are covered by orders of the Commission.

The word "final" used in the introductory letter indicates that Accounting Bulletin No. 1 embodies the conclusions of the Bureau of Statistics and Accounts on cases therein and should not be interpreted as meaning that the Commission is not at liberty to modify its own orders.

CASES 452 AND 453.

(Answers not finally approved. *See Accounting Series Circular No. 12c.*)

CASE 454.

Query. To what account should we charge the cost of printing coupon and local tickets and baggage checks?

Answer. To account No. 97, "Stationery and Printing" under Transportation Expenses. (*See Case 341.*)

CASE 455.

(Answer not finally approved. *See Accounting Series Circular No. 12c.*)

CASE 456.

Query. This company owns no freight cars, but borrows all it uses from a connecting line on a per diem basis. We recently had a derailment which almost completely destroyed a freight car so borrowed.

To what account should we charge the amount which we will have to pay to the connecting line for the car, after deducting salvage, if there be any, and to what account should we charge the wages of carpenters and others engaged in collecting the salvage?

Answer. To operating expense account No. 34, "Freight Train Cars—Repairs," and the value of the salvage, if any, should be credited to the same account.

It is assumed that the labor of carpenters and other men engaged in collecting salvage is in direct connection with the derailment, and the cost should, therefore, be charged to account No. 93, "Clearing Wrecks."

CASE 457.

(Answer not finally approved. See *Accounting Series Circular No. 12c*).

CASE 458.

Query. To what account should be charged the wages of a train crew running special trains equipped with tank cars for the purpose of hauling water to be used by locomotives in train service? The expense was caused by the water supply being exhausted at one of the water stations.

Answer. To account No. 74, "Water for Yard Locomotives," or to account No. 83, "Water for Road Locomotives," according to the use to be made of the water.

CASE 459.

Query. To what account should be charged amounts paid for water at section houses.

Answer. To account No. 18, "Roadway Tools and Supplies," unless the payments are for permanent water rights, when the amounts should be charged to account No. 16, "Buildings, Fixtures, and Grounds."

CASE 460.

(Answer not finally approved. See *Accounting Series Circular No. 12c*).

CASE 461.

Query. What account should be charged for switching where there is no freight movement as in the case where A switches an empty car for B to be loaded with stock, and the car is not loaded, but returned empty and B pays two switching charges without a freight movement?

Answer. Switching charges on empty cars, when not in connection with loaded movement, should be charged to account No. 98, "Other Expenses." (See *Case 218*.)

CASES 462 TO 465, INCLUSIVE.

(Answers not finally approved. See *Accounting Series Circular No. 12c*.)

CASE 466.

(Canceled.)

CASE 467.

(Answer not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 468.

Query. Operating expense account No. 69, "Yard Switch and Signal Tenders" reads in part as follows: "This account includes pay of employees engaged in operating signals and interlocking plants in yards used exclusively for the government of the movement of yard trains."

It is our understanding that we should charge to this account, and we have so charged during the past year, the pay of switch tenders and signal tenders located in our large freight and passenger yards, although such signals and switches are changed from time to time and govern the movement of main line trains into, out of, or through such yards; the primary purpose of the signals and switches, however, is for use in connection with making up and distributing trains arriving and departing.

Is our interpretation of this account correct?

Answer. Where the primary purpose of such signals and switches is the signaling and handling of trains in yard movement, the pay of employees operating such signals should be charged to account No. 69, "Yard, Switch, and Signal Tenders."

CASES 469 AND 470.

(Answers not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 471.

Query. Our engine damaged another company's interlocking plant. The plant is operated for the joint use of the A B Railroad and this company, but as our employees caused the damage, our company is responsible for the amount.

To what account should the cost of the damage be charged?

Answer. To account No. 101, "Damage to Property."

CASE 472.

Query. In the Supplement to the Third Revised Issue of the Classification of Operating Expenses, page 31, account No. 63, "Station Employees" includes "Payments to elevator companies for transferring grain en route," while the decision in Case 219 would seem to

require such charges to be proper deductions from "Freight Revenue." Kindly explain the apparent conflict.

Answer. The amended text of operating expense account No. 63, "Station Employees," includes "Payments to elevator companies for transferring grain en route," and Case 219 directs that a payment for elevation and storage provided for in the rate shall be charged to account No. 1, "Freight Revenue." In the first instance, the charge is an expense to the railroad company for transferring due to crippled cars, heated grain, or other unforeseen causes. In the second instance, it is a division of the rate for a service performed for the shipper and specifically mentioned in the tariff.

CASES 473 AND 474.

(Answers not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 475.

Query. To what account should be charged the cost of picking up and carting away the garbage, refuse, etc., dumped along the team tracks at stations when cleaning cars?

Are such items covered by the ruling in Case 41, or should they be charged to account No. 63, "Station Employees?"

Answer. They should be charged to account No. 6, "Roadway and Track." While Case 41 does not specifically cover the foregoing, the conditions in the two cases are apparently analogous. Account No. 6, "Roadway and Track," provides for "removing dirt from track yards," and this wording should be construed to include garbage, refuse, etc.

CASE 476.

(Answer not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 477.

Query. A terminal company furnishes car inspectors for the various lines operating into its terminal and divides the expense of inspection among the lines on the basis of the number of cars inspected for each line.

To what account should the amounts paid by the lines to the terminal company be credited?

Answer. Should be credited by the line paying the men to account No. 34, "Freight-Train Cars—Repairs" or to account No. 31, "Passenger-Train Cars—Repairs," as the case may be, and the same accounts charged by debtor lines. (See Case 56.)

CASES 478 TO 480, INCLUSIVE.

(Answers not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 481.

Query. In order that our passenger coaches may be supplied with gas at a point where we have no gas plant, we have placed on one of our flat cars two iron tanks for the transportation of gas from our gas plant.

The expense of making changes in the car for the reception of the tanks amounted to about \$20.

To what account should the cost of changing the car, as well as all subsequent repairs, be charged?

Answer. To account No. 43, "Work Equipment—Repairs."

CASE 482.

Query. In accordance with the provision in the Supplement to the Classification of Operating Expenses, under account No. 43, "Work Equipment—Repairs," the cost of repairing commercial cars assigned to maintenance of way service is not chargeable to the above-named account, but is to be charged to account No. 34, "Freight-Train Cars—Repairs."

This method was adopted by our lines, effective July 1, 1908, and following the same principle, instructions were issued that repairs to work cars, when engaged in commercial service, should be charged to account No. 43, "Work Equipment—Repairs," and not to account No. 34, "Freight Train Cars—Repairs." In other words, the classification of the car with reference to freight or work service governs the disposition of the repairs.

Account No. 34, in the Supplement, provides that repairs to "ballast" cars, when in commercial service, should be charged to that account. As ballast cars on our lines are classed as roadway service equipment, the provision in the Supplement just referred to is disregarded, and repairs to ballast cars are all charged to account No. 43, "Work Equipment—Repairs," regardless of the class of service in which the cars were used. Consistency in the treatment of these repairs is certainly desirable, hence our disposition of the expense as indicated above.

By referring to Case 47, it is evident that the intention was to class ballast cars as freight-train cars, if they were in commercial service for a greater part of the time, and in this event charging the repairs to account No. 34, "Freight-Train Cars—Repairs" would be proper.

What is the proper disposition of the matter?

Answer. Account No. 34, "Freight-Train Cars—Repairs," should be construed as being chargeable with repairs to ballast cars only when such cars are engaged for the greater part of the time in commercial service. If ballast cars are for a greater part of the time engaged in roadway service, cost of repairs should be charged to account No. 43, "Work Equipment—Repairs."

CASE 483.

(Answer not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 484.

Query. The Classification of Operating Expenses, effective on July 1, 1907, contains provisions under the various "Superintendence" accounts that "When officers and others above enumerated have supervision over other departments also, their salaries and expenses should be apportioned equally between the departments over which they have jurisdiction."

The question has arisen as to whether this rule should be applied alike for large and small roads in the case of salaries and expenses of general or division superintendents.

It is our understanding that for a road with a complete organization of roadmasters, division master mechanics, division superintendents, and a general superintendent, etc., the division and general superintendents should be regarded as transportation officers exclusively, and that their salaries and expenses should be charged entirely to account No. 61, "Superintendence" under Transportation Expenses, regardless of the fact that these officers are theoretically assumed to have jurisdiction over the maintenance of way and maintenance of equipment departments.

For small roads having no complete organization as above stated, where the division and general superintendents, or perhaps the general manager, supervise the work of the maintenance of way, maintenance of equipment and transportation departments and there are no subordinate officers in direct charge of such departments, it is our understanding that their salaries and expenses should be apportioned among the various "Superintendence" accounts in accordance with the classification. In other words, we understand that the rule referred to was intended to apply only to small roads.

Answer. It is proper to divide the salaries and expenses of general and division superintendents equally among the "Superintendence" accounts of the departments over which they have jurisdiction. The text is applicable to large as well as small roads. (*See Case 330.*)

CASE 485.

(Canceled.)

CASE 486.

Query. Referring to Annual Report, Form A—Large Roads, page 59, please advise if the debits and credits to replacement funds for freight cars, work cars, and locomotives should be entered under the heading, "Sinking, Insurance, and Other Funds."

Answer. Page 59 of the Annual Report, Form A—Large Roads, for the year ending June 30, 1908, is intended to be used only for special funds in cash or securities, set aside for specific purposes and removed from the general or treasury assets of the company and usually placed in the hands of trustees.

CASES 487 TO 490 INCLUSIVE.

(Answers not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 491.

Query. We are unable to find a ruling for the distribution of extraordinary expenses for injuries to persons, destruction or damage to property, the result of casualties in joint yards, tracks, or terminals; that is, whether the charge for such extraordinary items should be made direct to the accounts under "Maintaining Joint Tracks, Yards, and other Facilities," "Maintaining Joint Equipment at Terminals," "Operating Joint Yards and Terminals," or "Operating Joint Tracks and Facilities," or whether the distribution of such items should be made to the primary accounts carrying such charges.

We find that there is no uniformity in the practice of making such charges and ask that you give us a ruling.

Answer. All expenses incurred in the operation of joint yards, tracks, terminals, or other facilities, in which the parties to the contracts for such operation participate, should be handled through the appropriate joint-facilities accounts. This includes expenses the result of casualties resulting in injuries to persons, destruction or damage to property, etc.

The carrier paying the expenses should distribute the total to its primary accounts. The proportion chargeable to other companies should be handled through the appropriate joint-facilities accounts.

CASE 492.

Query. There appears to be some difference of opinion among the tenant lines of this company as to whether we should credit account

No. 78 or account No. 105 with bills rendered them for their proportion of transportation expenses. The situation is as follows:

This company furnishes joint passenger facilities to five tenant lines, the expense of operation being charged to them on a wheelage basis. We own 2.45 miles of tracks and the depot building, but do not own or operate any switch engines; the tenant line companies handling their trains over our tracks with their own crews.

Which one of these two accounts will apply so far as our transportation expenses are concerned?

Answer. If the entire 2.45 miles maintained by your company, and operated over by the tenant lines are a part of your union station facilities the proportion of transportation expenses charged out by you to tenant lines should be credited to account No. 78, "Operating Joint Yards and Terminals—Cr."

Your property is a terminal and there appears to be no reason for assuming that any proportion of the expense should be credited to account No. 105, "Operating Joint Tracks and Facilities—Cr."

CASE 493.

Query. We have had up with several roads the question of proper distribution of bills rendered by one road against another for proportion of wages paid flagmen at crossings where no tower or gate is used, the only facility being a small shelter of some kind. We have been crediting our bills rendered against other roads for their proportion of such expense to the primary account "Crossing Flagmen and Gatemen," but some roads insist that bills of this kind should be credited to "Operating Joint Yards and Terminals" or "Operating Joint Tracks and Facilities." We have based our distribution upon the ruling in Case 193, and Accounting Series Circular No. 14, from which it does not appear to be intended that joint employees be treated as joint facilities.

Kindly advise to what account bills rendered against other companies for their proportion of wages of crossing flagmen where there is no tower or gates should be distributed.

Answer. If the crossing flagmen are employed at road crossings where the tracks of two or more companies are parallel and there are no tracks used jointly, the proportion billed other companies should be credited by the billing road to primary account No. 91, "Crossing Flagmen and Gatemen" and taken up in same account by the paying road. If, on the contrary, the flagmen are located at street or road crossings in joint yards, such bills should be adjusted through the account "Operating Joint Yards and Terminals," and if on joint

tracks outside of yards, through the account "Operating Joint Tracks and Facilities."

CASE 494.

(Answer not finally approved. *See Accounting Series Circular No. 12c.*)

CASE 495.

Query. A contract with an electric line permits it to operate its cars over our track. The electric line is to pay us 10 cents per car for this privilege. We are to bear all expense of maintaining the track.

What account should be credited with the amount received from the electric company?

Answer. If the electric line is a common carrier reporting to the Interstate Commerce Commission as such, the revenue received should be apportioned between account No. 22, "Maintaining Joint Tracks, Yards, and Other Facilities" and rent under Income Account. The foregoing is on the assumption that no operating expenses other than maintenance are incurred by the owning company for the benefit of the tenant company.

If not a common carrier, the amount received should be credited to Revenue account No. 18, "Rents of Buildings and Other Property." (*See Case 17.*)

INDEX.

A.

	Case.
Abrogation of contract, bonus received for, how credited.....	380
Accident, damage to property and personal injury in operating joint facility, treatment in accounts.....	364
wages of employees attending the investigation of.....	445
Account, clearing, shop expenses, cost of power.....	60
clearing, store expenses, in connection with material in stock.....	61
Dismantled Equipment, when permissible to be kept.....	112
No. 19 (Operating Revenues), explanation of text of note to.....	98
"Open Bill," when permissible.....	111
Accounting Bulletins, conditions under which issued.....	451
matters, disposition of, prior to receipt of formal order of Commission.....	1
Accounts, material, adjustment of, to basis of inventory.....	9
reserve, balances in, how treated.....	4
when to be written up.....	3
Accruals of car-service revenue.....	231
Additions and Betterments, accounts not provided in classification, disposition of.....	1
cars destroyed, how handled through this account..	176
cars purchased, not used in operating, how repairs are to be charged in additions and betterments work.....	235
claims during additions and betterments work for personal injuries, stock killed, and damage caused by overflow of water.....	38, 314, 317, 392
conversion of equipment to other purposes, how treated in accounts.....	352
cost of log loader.....	236
cost of new freight cars.....	110
discount on bonds issued for.....	19, 101
increased weight of rail.....	145
locomotives, equipped with electric headlights, betterment, how charged.....	147
payment for use of company's equipment in connection with.....	132
principle for separation of additions and betterments from operating expenses.....	151
rail rests, placed along line of road, cost of.....	403
reclassification of expenditures in Road and Equipment accounts.....	18
renewals of bridges.....	335
sidings and spur tracks, where charged when new and when moved or taken up.....	157, 158
store and other expenses in handling material for...	373
track scales, how classified.....	150
Adjustments, freight overcharge reserve funds.....	211
in reserve accounts.....	4
ledger accounts, to inventory values.....	172

	Case.
Adjustments, material accounts to cover obsolete material taken out of stock and sold as scrap.....	153
material accounts to inventory basis.....	9
renewal accounts and charges that should be made.....	162
reserve accounts, covering material, ties, rails, bridges, etc., to basis of actual expenditure.....	32
reserve accounts for "Injuries to Persons," "Stationery and Printing," and "Loss and Damage".....	155
tie and rail accounts and how handled.....	332, 333, 334
Advertisements, cost of removing from cars, to what account charged.....	281
Advertising department, expense of stationery and printing for.....	244
rent of offices for use of.....	397
Agent, postmaster or storekeeper acting as, commissions paid in lieu of salary... station, and telegraph operator, salary of, how charged.....	64, 387 251
Agents, chief special, with police powers, in charge of yard watchmen, etc.....	62
outside, expense of stationery and printing used by.....	244
relief claims, uncollectible undercharges in.....	276
Air-brake instruction car, payment for use of, how charged.....	254
Allowance, as specified in introductory letter in Classification for Outside Operations.....	24
Amount paid to employees during strike, for overtime, loyal service, etc., how charged.....	202
Amounts paid for bank exchange, how charged.....	207
Apportionment, locomotives, expenses of.....	188, 189, 190
of cost of water between yard and road locomotive.....	253
of expense of joint operations.....	409
of expense of water supply.....	357, 358
of pay of hostlers and helpers, between road and yard service....	203
of payments for use of locomotive and crew.....	195
of payments for trackage.....	120
of rent and expenses of general office when occupied by other than general officers.....	404
of salaries of general manager and general superintendent with supervision over several departments.....	330, 484
of tie and rail renewals, through the year.....	332
shop expenses, with reference to Master Car Builders' rules....	257
Wages of enginemen.....	188, 189, 190
"Appropriate Accounts," explanation of note under account No. 19, Operating Revenues.....	98
Arbitration Committee in connection with wages of a suspended switchman....	401
Ash pits, cost of removing cinders from.....	163
Assessments against property, for street pavings, sidewalks, curbs, sewers, etc., to what account charged.....	149
Association, passenger mileage exchange, bureau of, treatment of expense of.....	271
Award to suspended employee, of wages during suspension.....	401

B.

Baggage cars, revenue from packages, etc., carried in.....	88
checks, local tickets, and coupons, cost of printing.....	454
Baggage, storage on, expense in handling.....	341
transfer of, between depots, explanation of text relative thereto.....	320
Ballast cars, cost of hay purchased to stop leaks in.....	449
in commercial service, repairs to.....	47, 482

	Case.
Ballast, clearing account for expense of removing gravel.....	114
clearing account, gravel pits, cost of installing and operating interlockers and signal apparatus.....	39
expense of loading cinders at ash pits to use as.....	163
operations at a gravel pit, how handled in accounts.....	114
Bank deposits, interest on, how credited.....	365
Bills, delayed, for proportion of joint-facilities operation, how taken up in accounts.....	247
Boat, launch used for inspection of bridges, etc.....	389
lines, consisting of operation of tug and barge lines between points on coast, how treated.....	143
towing, analogous to switching movement, how charged.....	212
Bonding rails, cost of, in interlockers and signal systems.....	42
Bonds, discount on, issued for purposes of construction, to what account charged.....	101
issued for construction and additions and betterments, discount on.....	19
Bonus received for abrogation of contract, how credited.....	380
Books, when to be written up.....	3
Brasses, car, expense of removal to prevent theft.....	336
Bridges, construction of, rent of pile driver used in.....	266
cost of moving tracks and telegraph line of another railroad in connection with the construction of.....	315
damage to, by wreck, necessitating temporary structures.....	450
damage to property on account of openings under bridges not being sufficiently large.....	392
inspection of, steam launch used in connection with.....	389
renewals of, how treated.....	335
rent paid for use of.....	17
reserves for, creation and adjustment.....	32
steel, cost of calyx drill and outfit used in connection with construction of.....	318
Bureau, mileage ticket, treatment of expenses of.....	271

C.

Car inspection, joint, expenses, how charged.....	56,477
pay of general car inspectors and local inspectors.....	264
switching resulting from.....	206
inspectors, employed by terminal companies, amounts paid by tenant lines..	477
Car-miles, classification of, for picnic, chartered, or theatrical trains.....	224
nonrevenue cars in revenue trains.....	238
distribution between passenger and freight.....	103
subaccount for trailer.....	237
Car, private, switching revenue for handling.....	259
seals, how charged.....	340
service, disposition of amounts received for.....	231
trust, depreciation on equipment under.....	48
Cars, advertising on, cost of removing.....	281
air-brake instruction, payment for use of, how charged.....	254
ballast, cost of hay for stopping leaks in.....	449
commercial, in work-train service, repairs of.....	413
damage to, in wreck of carrier operating under trackage rights.....	364
depreciation on, for period of less than one month.....	49
electrically propelled, repairs to, covered in certain accounts.....	57
empty, switching, incidental to loaded movement.....	81,265
switching when not in connection with loaded movement.....	461
express, switching revenue from handling.....	260

	(Case
at a road shop	249
at a joint	393
at a joint	154
at a joint	81
of purchasing agents,	184,185
reduction with remov-	114
of freight car equipment,	301
	402
	447
of freight	411
	66
of freight	142
	47,482
	234
	255
	451
of freight on insurance policies,	99
	64,387
	8
now treated through joint-facilities	395
used in construction work and when used	388
caused by water overflows during.	28,314,317,392
of injuries during	314
of killed during	314
amount on	19,101
of will used on	318
of travelers used on	266
expenditures for Road and Equipment ceases to	

tracks outside of yards, through the account "Operating Joint Tracks and Facilities."

CASE 494.

(Answer not finally approved. See *Accounting Series Circular No. 12c.*)

CASE 495.

Query. A contract with an electric line permits it to operate its cars over our track. The electric line is to pay us 10 cents per car for this privilege. We are to bear all expense of maintaining the track.

What account should be credited with the amount received from the electric company?

Answer. If the electric line is a common carrier reporting to the Interstate Commerce Commission as such, the revenue received should be apportioned between account No. 22, "Maintaining Joint Tracks, Yards, and Other Facilities" and rent under Income Account. The foregoing is on the assumption that no operating expenses other than maintenance are incurred by the owning company for the benefit of the tenant company.

If not a common carrier, the amount received should be credited to Revenue account No. 18, "Rents of Buildings and Other Property." (*See Case 17.*)

INDEX.

A.

	Case.
Abrogation of contract, bonus received for, how credited.....	380
Accident, damage to property and personal injury in operating joint facility, treatment in accounts.....	364
wages of employees attending the investigation of.....	445
Account, clearing, shop expenses, cost of power.....	60
clearing, store expenses, in connection with material in stock.....	61
Dismantled Equipment, when permissible to be kept.....	112
No. 19 (Operating Revenues), explanation of text of note to.....	98
"Open Bill," when permissible.....	111
Accounting Bulletins, conditions under which issued.....	451
matters, disposition of, prior to receipt of formal order of Commission.....	1
Accounts, material, adjustment of, to basis of inventory.....	9
reserve, balances in, how treated.....	4
when to be written up.....	3
Accruals of car-service revenue.....	231
Additions and Betterments, accounts not provided in classification, disposition of.....	1
cars destroyed, how handled through this account..	176
cars purchased, not used in operating, how repairs are to be charged in additions and betterments work.....	235
claims during additions and betterments work for personal injuries, stock killed, and damage caused by overflow of water.....	38, 314, 317, 392
conversion of equipment to other purposes, how treated in accounts.....	352
cost of log loader.....	236
cost of new freight cars.....	110
discount on bonds issued for.....	19, 101
increased weight of rail.....	145
locomotives, equipped with electric headlights, betterment, how charged.....	147
payment for use of company's equipment in connection with.....	132
principle for separation of additions and betterments from operating expenses.....	151
rail rests, placed along line of road, cost of.....	403
reclassification of expenditures in Road and Equipment accounts.....	18
renewals of bridges.....	335
sidings and spur tracks, where charged when new and when moved or taken up.....	157, 158
store and other expenses in handling material for...	373
track scales, how classified.....	150
Adjustments, freight overcharge reserve funds.....	211
in reserve accounts.....	4
ledger accounts, to inventory values.....	172

	Case.
Adjustments, material accounts to cover obsolete material taken out of stock and sold as scrap.....	153
material accounts to inventory basis.....	9
renewal accounts and charges that should be made.....	162
reserve accounts, covering material, ties, rails, bridges, etc., to basis of actual expenditure.....	32
reserve accounts for "Injuries to Persons," "Stationery and Printing," and "Loss and Damage".....	155
tie and rail accounts and how handled.....	332, 333, 334
Advertisements, cost of removing from cars, to what account charged.....	281
Advertising department, expense of stationery and printing for.....	244
rent of offices for use of.....	397
Agent, postmaster or storekeeper acting as, commissions paid in lieu of salary... station, and telegraph operator, salary of, how charged.....	64, 387 251
Agents, chief special, with police powers, in charge of yard watchmen, etc.....	62
outside, expense of stationery and printing used by.....	244
relief claims, uncollectible undercharges in.....	276
Air-brake instruction car, payment for use of, how charged.....	254
Allowance, as specified in introductory letter in Classification for Outside Operations.....	24
Amount paid to employees during strike, for overtime, loyal service, etc., how charged.....	202
Amounts paid for bank exchange, how charged.....	207
Apportionment, locomotives, expenses of.....	188, 189, 190
of cost of water between yard and road locomotive.....	253
of expense of joint operations.....	409
of expense of water supply.....	357, 358
of pay of hostlers and helpers, between road and yard service... ..	203
of payments for use of locomotive and crew.....	195
of payments for trackage.....	120
of rent and expenses of general office when occupied by other than general officers.....	404
of salaries of general manager and general superintendent with supervision over several departments.....	330, 484
of tie and rail renewals, through the year.....	332
shop expenses, with reference to Master Car Builders' rules....	257
Wages of enginemen.....	188, 189, 190
"Appropriate Accounts," explanation of note under account No. 19, Operating Revenues.....	98
Arbitration Committee in connection with wages of a suspended switchman.....	401
Ash pits, cost of removing cinders from.....	163
Assessments against property, for street pavings, sidewalks, curbs, sewers, etc., to what account charged.....	149
Association, passenger mileage exchange, bureau of, treatment of expense of.....	271
Award to suspended employee, of wages during suspension	401

B.

Baggage cars, revenue from packages, etc., carried in.....	88
checks, local tickets, and coupons, cost of printing.....	454
Baggage, storage on, expense in handling.....	341
transfer of, between depots, explanation of text relative thereto.....	320
Ballast cars, cost of hay purchased to stop leaks in.....	449
in commercial service, repairs to.....	47, 482

	Case.
Ballast, clearing account for expense of removing gravel.....	114
clearing account, gravel pits, cost of installing and operating interlockers and signal apparatus.....	39
expense of loading cinders at ash pits to use as.....	163
operations at a gravel pit, how handled in accounts.....	114
Bank deposits, interest on, how credited.....	365
Bills, delayed, for proportion of joint-facilities operation, how taken up in accounts.	247
Boat, launch used for inspection of bridges, etc.....	389
lines, consisting of operation of tug and barge lines between points on coast, how treated.....	143
towing, analogous to switching movement, how charged.....	212
Bonding rails, cost of, in interlockers and signal systems.....	42
Bonds, discount on, issued for purposes of construction, to what account charged.	101
issued for construction and additions and betterments, discount on.....	19
Bonus received for abrogation of contract, how credited.....	380
Books, when to be written up.....	3
Brasses, car, expense of removal to prevent theft.....	336
Bridges, construction of, rent of pile driver used in	266
cost of moving tracks and telegraph line of another railroad in connec- tion with the construction of.....	315
damage to, by wreck, necessitating temporary structures.....	450
damage to property on account of openings under bridges not being suffi- ciently large.....	392
inspection of, steam launch used in connection with.....	389
renewals of, how treated.....	335
rent paid for use of.....	17
reserves for, creation and adjustment.....	32
steel, cost of calyx drill and outfit used in connection with construction of.	318
Bureau, mileage ticket, treatment of expenses of.....	271

C.

Car inspection, joint, expenses, how charged.....	56,477
pay of general car inspectors and local inspectors	264
switching resulting from	206
inspectors, employed by terminal companies, amounts paid by tenant lines..	477
Car-miles, classification of, for picnic, chartered, or theatrical trains.....	224
nonrevenue cars in revenue trains.....	238
distribution between passenger and freight.....	103
subaccount for trailer.....	237
Car, private, switching revenue for handling.....	259
seals, how charged.....	340
service, disposition of amounts received for.....	231
trust, depreciation on equipment under.....	48
Cars, advertising on, cost of removing.....	281
air-brake instruction, payment for use of, how charged	254
ballast, cost of hay for stopping leaks in	449
commercial, in work-train service, repairs of.....	413
damage to, in wreck of carrier operating under trackage rights	364
depreciation on, for period of less than one month	49
electrically propelled, repairs to, covered in certain accounts	57
empty, switching, incidental to loaded movement.....	81,265
switching when not in connection with loaded movement	461
express, switching revenue from handling.....	260

	Case.
Cars, freight, cost of, where charged	110
not used in operating a road, how repairs to, should be charged	235
gasoline motor, expense of operation	73
loaned to contractor on construction work	53
mileage of nonrevenue, on revenue trains	238
motor or trailer, classification of mileage for	237
moved temporarily account of congested yard, treatment of mileage	382
passenger, cleaning, and furnishing supplies for, in connection with a joint facility	410
replacement account entries on retirement of	169,170
work, in commercial service	47
destroyed, how treated through the accounts	176
fitted up with tanks for transportation of gas for lighting cars	481
for equipping a road, diverted and held off line	415
of connecting line destroyed, treatment of amounts paid for value of, and salvage	456
Cases in this Accounting Bulletin, authority for answers to	451
Casualties in connection with joint operations	491
Chair cars, revenue, treatment of, where expenses are not separable from transportation expenses	25,226
Chartered trains, disposition of revenues from	85,221,222,227
disposition of sum received as guaranty	87,90,222,227
Checks, expense of cashing	207
pay, stolen and cashed	347
Chief special agents, with police powers, in charge of yard watchmen, etc	62
Cinders, disposition of receipts from sale of	232
labor loading at ash pits, to what account charged	163
Circus, special or chartered trains, revenue derived from handling	223,224
Claims department, rent of offices for use of	35
Claims, judgments for, distribution of amount over several months, or more than one year	5
overcharge, treatment of reserve to cover	211
personal injury, incident to construction	309
personal injury, result of defective highway	304
relief, agents', for over and under charges	276
reserves to cover, balances to be carried over, when	4
Classification, car mileage, accounts provided for	242
of Expenditures for Road and Equipment, use of, ceases when	115
of mileage, switching locomotive, how apportioned when partially engaged in train service	70
of train mileage when passenger revenue is divided	221
Cleaning yards, car cleaning, cost of	41
Clearing account, "Ballast," cost of installation and operation of interlocking and other signal apparatus in connection with gravel pits	39
"Ballast," sale of gravel, handled through	230
electric power used in shops	59
in connection with shop expenses	173
open-bill account, may be kept when	111
power house, operation	178,180
shop expenses, basis of distribution	183
shop expenses, cost of power	60
shop expenses, distribution of labor in connection with	179

	Case.
Clearing account, shop expenses, explanation of terms, general foremen and shop foremen in connection with.....	248
shop expenses, in connection with the operation of a joint shop.....	393
stationer and staff, salaries of, handled through	154
store expenses, closed out, when	61
store expenses, distribution of salaries of purchasing agents, storekeepers, etc., in connection with.....	184, 185
to cover operation at a gravel pit, in connection with removing ballast.....	114
Clearing House, railway, for proper distribution and use of freight car equipment, treatment of expense for.....	301
Coal, cost of handling at fuel station.....	402
for station use, cost of unloading.....	447
supplied locomotives at fuel stations jointly operated.....	411
Coal and ore docks, pay of employees at	66
Cold-storage plants, treatment through outside operations	142
Commercial service, work cars in, repairs to.....	47, 482
Commission, securities given as, discount on.....	234
Commissioner, land and tax, salary of, how charged.....	255
Commission's orders, modifications of.....	451
Commissions, amounts received for collecting premiums on insurance policies, etc., from employees, how credited.....	99
paid agents in lieu of salary.....	64, 387
Company's material, loss and damage on.....	8
freight charges on, how treated through joint-facilities accounts.....	395
Concrete mixer, classification of, when used in construction work and when used in additions and betterments work	388
Construction, amounts paid for damage caused by water overflows during. 38, 314, 317, 392	
amounts paid for personal injuries during	314
amounts paid for stock killed during.....	314
bonds issued for, discount on.....	19, 101
bridges, cost of calyx drill used on.....	318
bridges, rent of pile drivers used on.....	266
Classification of Expenditures for Road and Equipment ceases to apply, when	115
cost of temporary tracks and removal of same during.....	316
equipment rented to contractor.....	53
personal injuries incidental to.....	309
temporary tracks, cost of.....	157, 158
tracks and telegraph lines of other carrier moved during, expense of.....	315
Contract, payment for abrogation of, how credited.....	380
with a lumber company, for use of tracks, treatment of rent and operating charges.....	96
Conversion of equipment to other purposes, treatment.....	352
Coupons found in covers of mileage books returned, how credited.....	86, 89, 261
in mileage books returned for redemption, how credited.....	261
special admission amusement, value of, how disposed of.....	328
ticket, unused.....	216
Credentials, passenger, unclaimed redeemable portions.....	89, 261
Crew and engine of wharf company rented for switching.....	416

	Case.
Crossing timbers, how classified.....	102
Crossings, flagmen at, under what conditions expenses of treated as joint facility .	403
injury to stock at, damages paid on account of.....	396
interlocking plants jointly used at.....	117, 272, 275, 283
operated jointly, watchmen employed at.....	359
railroad, protected by interlockers and manual signals, treatment of expenses.....	272
rent paid for land to prevent putting street across tracks.....	307
signals at, in joint service.....	247
street, not at stations or yards, electric lights at, how charged.....	260
Curbs, assessments for.....	149

D.

Damage caused by water overflow.....	38, 314, 317, 392
paid on account of injury to stock on right of way	396
to bridge by wreck necessitating a temporary pile structure	450
to interlocking plant operated jointly	471
to locomotive, caused by defective track of another carrier, treatment of charge by each carrier	399
to property in connection with the operation of a joint facility	364
to property on account of inadequate waterways.....	392
to property on account of overflows	38
to property, witness fees in connection with	310
Damages, account of failure of train to stop at station to pick up passengers.....	79
company's material in transit, how charged.....	8
on account of washouts or overflows occasioned by construction of new double track.....	317
payment for ejectment of passengers from train.....	78
stock killed during construction.....	314
to property resulting from casualties in the operation of joint yards, etc.	491
Decisions in Accounting Bulletins, authority for.....	451
Defective track, damage to locomotive of another carrier, due to.....	399
Deficit from operation of Union Depot, participation in, how treated.....	329
Demurrage, paid for detention of a boat	27
penalty for failure to furnish cars under reciprocal laws.....	77
Deposits, bank, interest on.....	365
Depot, rent of land for building.....	306
Depots, joint, deficit from operation, treatment through joint-facility accounts..	329
Depreciation, bridges and other structures, adjustment of accrued depreciation on.....	335
equipment, time from which computed in making monthly charge for.....	49
equipment under a car trust.....	48
explanation of the word "fund" in connection with the text.....	171
on equipment, determination of rate at which charges should be made.....	109
on equipment, how treated.....	112
rate to be used, determination of.....	168, 348
valuation on which charges should be made.....	107
on locomotives.....	36
on roadbed may be charged, when.....	40
parlor and sleeping cars.....	55
principle upon which charges should be made and distributed throughout the fiscal year.....	167

	Case.
Depreciation, repairs and operation of steam wrecking derricks.....	339
under maintenance of way accounts, conditions under which permissible	106
Derrick, steam wrecking, depreciation, repairs and operation of, how charged....	339
Destruction of equipment, insurance recovered in connection with	353
Detective agency, expenses of, in connection with investigation of train wreck,	
how charged.....	331
agencies, payments for services of.....	298
Detouring trains, treatment of mileage.....	105
Devices, mercantile, used in operation of locomotives or cars, expense of litigation regarding patents on.....	287
Directors' fees for attending meetings.....	448
Discount on bonds issued.....	19
on bonds issued for purposes of construction, to what account charged ..	101
on securities given as commission.....	234
Dispatching trains, telegraph operators handling orders for	63
Distribution of amount collected from other carriers for facilities furnished at terminal freight houses.....	414
of cost of labor and material in repairing equipment at joint shops..	393
of expense of cleaning and furnishing supplies for cars.....	410
of expense of furnishing supplies acquired under contract.....	412
of expense of joint fuel stations.....	411
of expense of operating jointly used roundhouse.....	409
of expense of repairing commercial cars and locomotives.....	413
of extraordinary expenses, the results of casualties in the operation of joint facilities.....	491
Docks, ore, switching cars at, classification of mileage and treatment of expenses..	135
Dogs, in baggage cars, revenue from carrying.....	88
Donations, to local fire departments, how charged.....	113
Drafts and checks, cost of exchange	207
Drawbridge, expense of operation as a joint facility	360
Drill, calyx, used in construction and operation, cost of.....	318
Driveways at stations, rent paid for.....	406

E.

Ejectment of passenger from train, payment of damages for.....	78
Electric equipment of power plants, expenses of.....	58, 59
lights at street crossings not in yards or at stations, have charged.....	269
lights, distribution of cost of.....	177, 178
machinery for shop purposes.....	58, 59
power, distribution of cost of	180
power house, application of clearing account in connection with operation of	178, 180
Electrically propelled cars, repairs to, covered by certain accounts.....	57
Elevator companies, payments to, for transferring grain en route.....	300, 472
Elevators, grain, expenses of, when not outside operations.....	67
grain, payment to, for service, how charged.....	219
Employees, air-brake instructions for.....	254
at agency, salaries of, when part of a joint operation	118
at crossings, wages of, how charged.....	204
at station, expenses of, how charged.....	205
at coal and ore docks, pay of.....	66
at joint-facility stations, pay and expenses of.....	193, 258, 277

	Case.
Employees, attending the investigation of accidents, wages of.....	445
injuries to, by another carrier operating under trackage rights, pay- ment for.....	364
operating interlockers and other signals.....	468
pay and expenses while attending inquests.....	34
pensions for, and incidental expenses, how charged.....	208, 302
salaries of, when acting as general officers.....	209
witnesses, pay and expenses of, when called as.....	310
Engineering account in Classification of Road and Equipment, explanation of...	100
department, expenses of studies in connection with proposed work ..	6
Enginehouse employees, expense of painting front end of locomotive	391
expenses, division of, between road and yard service	203
expenses of, include cost of removing cinders, when	163
Enginemen attending investigations, pay of.....	445
employed on water trains, pay of.....	458
Equipment account, conversion of cars to other purposes, how treated in ac- counts.....	352
accounts, adjustment of ledger accounts to inventory values.....	172
additions and betterments to.....	147
ballast cars in commercial service.....	47
bonds issued for, discount on.....	19, 101
clearing account for shop expenses.....	173
condemned or destroyed, treatment of material released.....	33
cost of repairing locomotives and commercial cars.....	413
depreciation and renewal of, how treated.....	49, 112
depreciation charges, pending fixing rate.....	348
depreciation on, charges required when.....	167
depreciation on, determination of rate at which charges should be made.....	109
depreciation on, determination of rate to be used.....	168
depreciation on, principle involved as to the percentage to be ap- plied.....	348
depreciation on, purchased under trust agreement.....	48
depreciation on, treatment of.....	169, 171, 172
depreciation on, valuation on which charges should be made.....	107
destroyed on foreign lines, bill for.....	176
destroyed or sold, how handled through the Renewals accounts....	169, 170
electric, of power plants, how charged.....	58
electrically propelled, repairs to.....	57
empty, switching when not in connection with loaded movement....	461
fitting up and repairing flat cars with tanks for transportation of gas for lighting cars.....	481
floating, insurance on, how charged.....	182
freight, expense of clearing house for distribution of.....	301
hire of, by switching road.....	52
hire of, in connection with additions and betterments work.....	132
hired, destroyed by derailment, expenses connected with.....	456
insurance recovered in connection with, how applied.....	353
loaned to contractor, on construction work.....	53
locomotive hired for yard service.....	368
of another carrier, cost of repairing, how treated in connection with joint facility.....	393
other carriers', used in clearing wrecks	243

	Case.
Equipment, passenger, switching, cost of.....	80
purchased during construction and diverted before delivery.....	415
renewals account, when charges should be made to.....	175
rent of, when used in recovering lost freight of other carriers.....	282
repairs to bad-order cars used exclusively in work service.....	235
replacement accounts, purpose of.....	486
work, classification of a concrete mixer when mounted on car and when not mounted.....	388
work, cost of a calyx drill and outfit used in construction and opera- tion.....	318
work, cost of concrete mixer mounted on cars.....	388
work, in commercial service, how treated.....	482
Excess baggage revenue, all charges for baggage-car transportation not included in.	88
Exchange, bank, on checks and drafts, how charged.....	207
Excursion ticket purchased to one point and used to an intermediate point, treat- ment of revenue from.....	216
Expenses, basis on which charged.....	333
engineering department, studies in connection with proposed work...	6
extraordinary, carried beyond the fiscal year.....	5
in connection with property not used in the operation of a railroad....	16
of locomotives, how divided.....	188
of president and his clerks and attendants, how distributed.....	82
rail line, explanation of text in connection with operating floating equipment.....	137
Express cars, revenue from switching.....	260
companies, rents paid by, for facilities furnished, how credited.....	119
Extraordinary expenses, in connection with the operation of joint facilities.....	491
treatment of.....	5

F.

Fast freight lines, expense of stationery and printing for.....	244
Fees of directors for attending meeting.....	448
Fire chief, salary of.....	37
departments, local, donations to, how charged.....	113
protection, amount paid municipal corporations for.....	305
Fires, extraordinary expenses resulting from, how charged.....	5
Flagmen at crossings, under what conditions expenses of, treated as joint facility.	493
Floating equipment, expense of operation when used for inspection of bridges, etc.	389
expenses in operation of.....	200
Foremen, general and shop, explanation of the term in connection with "Superin- tendence" under Maintenance of Equipment.....	248
Freight charges paid to foreign roads on material used for repairs.....	395
earnings, division of, between switching and freight.....	210
loading and unloading, payment to warehouse companies or contractors for.....	65
lost or damaged, disposition of charges on.....	279
lost, recovered for another carrier.....	282
Fuel and other supplies for gasoline motor cars.....	73
department, labor in connection with, furnished by mechanical department..	402
for sand driers.....	75
station, joint operation of a.....	411
supplies to restaurants leased to outside parties.....	136
supplies for stations, wages of trackmen in unloading.....	447

	Case.
Fund, replacement, explanation of, in connection with depreciation.....	171
Funds, pension, adjustment of, and treatment of amounts paid as pensions.....	302
reserve, balances in, how treated.....	4
sinking, insurance, and other, how shown in annual reports.....	486

G.

Garbage and refuse, cost of removing from team tracks at stations.....	475
Garnishment suits, how to credit fees received on account of.....	229
Gas supply for coaches, iron tanks placed on flat car for.....	481
Gatemen at crossings, pay of.....	204
General car inspector, pay of.....	264
foremen, as distinguished from shop foremen.....	248
manager, acting also as purchasing agent.....	156
superintendent, salaries and expenses of, when managing road.....	209
Government troops, revenue from special trains carrying.....	325
Grain elevators, expenses when not operated as an outside operation.....	67
payments to, for service, how charged.....	219
inspection, payments to produce exchange for.....	199
transferred en route, payments to elevator companies on account of.....	300
transferred en route, payments to elevator companies for.....	472
Gravel pits, ballast, clearing account for expense of.....	114
interlockers at, cost of.....	39
sale of, how credited.....	230
Guaranty, chartered trains run under, treatment of amount received for.. 85, 221, 222, 227	
of freight revenue by industrial company.....	93
of passenger revenue to insure operation of trains.....	87, 90

H.

Hay, payment for cutting, on right of way, how credited.....	252
purchased to stop leaks in cars used for ballast, etc., in maintenance of way	
work.....	449
Highways, defective, personal injuries resulting from.....	304
Helpers, at roundhouses, pay of.....	203
Hire of engine and crew in connection with switching service at wharf.....	416
equipment, amount paid to a carrier for running its own equipment over	
another carrier's tracks.....	195
application to switching roads.....	126
disposition of all payments on account of.....	125
in connection with amount paid another carrier for use of	
wreck train and crew.....	243
in connection with a switching road, treatment of per diem	
reclaims.....	270
in connection with transferring cars delayed on account of im-	
proper loading.....	130, 131
on a per diem basis, and the destruction of such equipment	
by derailment.....	456
purchased during construction and diverted for several months	
before delivery.....	415
treatment of per diem reclaims.....	249
treatment of rent of a locomotive for use in switching service	
for three roads.....	368
used on construction work, amount paid by contractor for...	53
use of account by switching roads.....	52

	Case.
Hostlers and helpers, labor of, handling coal at chutes, etc.....	402
Houses, not used in connection with rail operations, rent of.....	139, 141

I.

Ice and coal, supplied to restaurants leased to outside parties.....	136
Icing charges, revenues and expenses, how distinguished	136
Increased weight of rail in additions and betterments work.....	145
Industrial companies, payment to, for services of switching locomotive.....	220
Injuries to persons, account of defective highway	304
adjustment of reserve accounts for.....	155
amounts paid for, during construction.....	314
damages paid account of ejection of passenger from train ...	78
determination of the account to which chargeable.....	164, 165
in connection with construction work, provision of an account for	309
in connection with the operation of a joint facility.....	364
pay and expenses of employees attending inquest.....	34
rent of offices for use of claims department.....	35
resulting from casualties in the operation of joint yards, etc...	491
witness fees in connection with.....	310
Injury to horse occasioned by defective crossing.....	396
Inquests, pay of employees attending.....	34
Inspection, grain, payments for.....	199
joint car, division of expenses.....	56, 477
of bridges, steam launch used for.....	389
Inspectors, car, amounts paid to, at a joint terminal.....	477
explanation of what class of inspectors should be included under superintendence and what under supervision in car repairs accounts.....	264
Insurance, fund for, created by charges to operating expenses	31
on floating equipment, how charged.....	182
premium paid on material, how charged.....	181
premiums, adjustment of, and how treated in accounts	29
premiums, commissions for collecting.....	99
recovered from insurance companies	80, 31
recovered on equipment destroyed, how treated	353
reinsurance, when a carrier acts as its own insurer	31
treatment of amounts recovered	30
Interest on bank deposits, how credited.....	365
valuation, rent of property based on.....	12
Interlocker, at crossings, joint operation of.....	303
Interlockers and block and other signals, wages of employees at crossings	204
and other signals, lubrication of.....	76
and signals systems, bonding rail for.....	42
how treated in accounts when a joint facility	278
joint operation of, and treatment through accounts.....	283
joint operation of, at outlying points and on joint track.....	312
pay of employees operating.....	468
Interlocking and signal apparatus at gravel pits, cost of.....	39
plants, joint operation of.....	116, 117, 275
operated as a joint facility.....	361
operated jointly, damage to.....	471

	Case.
Interlocking plants, operation of, in connection with other carriers, a joint facility, how handled.....	272
Inventory, adjustment of material accounts to basis of.....	9
Investigation of accidents, wages of employees attending.....	445

J.

Joint car inspectors employed by terminal company, proportion of wages paid by tenant line.....	477
car inspection, how charged.....	56
employees, salaries of.....	118, 193, 258
Joint facilities, casualties in connection with.....	491
damage to interlocking plant operated jointly	471
embracing trackage rights over a line, payment for which is made at a certain rate per car, how treated.....	268
explanation of conditions under which rents are included, and when included under Rents of Buildings and Other Property....	327
explanation of text for operating joint yards, terminals and other facilities.....	361
explanation of the word "Joint"	159
freight charges on material used in connection with, how treated.	395
furnishing supplies to locomotives.....	412
in connection with the joint operation of freight houses.....	414
in connection with the operation of a crossing where flagmen are employed.....	493
in connection with the operation of a fuel station.....	411
in connection with the operation of a joint terminal.....	492
joint operation of a drawbridge.....	360
joint use of side track.....	308
joint use of tracks for passenger trains.....	362
manner of handling delayed bills.....	247
operation, embraces all elements of operating expense	46
operation jointly of stations, interlockers, water stations, etc., how treated in accounts.....	278
operation of a roundhouse.....	409
operation of interlockers at crossings, how treated in accounts.....	283
operation of interlocking plants.....	116, 117, 275
operation of interlocking plants, also crossings protected by manual signals.....	272
operation of joint interlockers at outlying points, and in joint tracks.....	312
operation of joint terminal, division of expenses of.....	371
operation of joint track and terminal.....	294, 295
operation of joint tracks and yards, treatment in accounts.....	285
participation in deficit, from operation of union station.....	329
payment for, based on interest on valuation, in addition to a portion of operating expenses.....	273
payment for, based on a flat rent per annum.....	250
percentage added to bills, representing labor charges and profit...	394
rent paid in connection with the joint operation of tracks, how treated in accounts.....	290, 291
rents paid for trackage rights in operation of joint facility.....	120, 121
rents received from electric line for use of one mile of track.....	495
salaries of agency employees.....	118

	Case.
Joint facilities, signals to protect crossings	272, 303
taxes on, paid as part of rent	15
taxes on property used jointly	10
treatment of salaries of station employees	193, 258, 277
watchmen employed at crossings	359
Joint facility, accident in connection with operation of, involving damage to property and personal injury	364
cost of repairing another carrier's equipment in connection with....	393
handling trains over another carrier's tracks, for which a rate per car is charged.....	133
in connection with cleaning, repairing, and furnishing supplies for passenger cars.....	410
in connection with delivery of live stock to stock yards on line by connecting carrier's own equipment.....	283
joint use of tracks, etc., rent paid upon basis of valuation and in addition a proportion of revenue.....	372
operation of a joint station and yards, through what accounts handled.....	161
operation of interlocker at crossings, treatment.....	303
pay for use of track, station buildings, and other facilities on valuation basis and proportion of expenses.....	215
water stations.....	357, 358
water supply and turntable.....	74
what company should render bills; and manner of handling accounts.....	160
Judgments, against carriers, and heavy expenses, treatment of, in accounts	5
Junction yards and terminals, definition of	377

K.

Keys, switch, accounts to be charged and credited with cost of	299
---	-----

L.

Labor, distribution of, in connection with shop expenses	179
in connection with joint operation of stations.....	414
lighting switch lamps.....	196, 197
loading cinders at ash pits, to what account charged.....	163
of hostlers and helpers at coal chutes, etc., in handling coal.....	402
percentage added to, when rendering bills to other carriers, how credited..	246,
	262, 394
to follow cost of material.....	44
transferring cars, on account of improper loading, to what account credited.	131
Lamps, switch, lighting and care of	196, 197
Land commissioner, salary of	255
damaged by overflow arising from insufficient opening under bridge.....	392
leased to provide driveway to side track.....	370
leased to prevent a street crossing tracks.....	307
not connected with operation of road, rent from.....	296
rent from, for union station, how credited.....	292
rent of, upon which depot is built.....	306
Launch, steam, used for inspection of bridges and transporting officials	389
Law expenses, in connection with injuries to persons	310
Lease of ground for roadway, payment for	370
of terminals, disposition in accounts.....	280

	Case.
Legal department, rent of offices for.....	345
License of wharfinger, cost of, to what account charged.....	369
fees, paid to cities for privilege of occupying or crossing streets, etc	122
Lights, electric, at crossings.....	269
electric, distribution of power cost.....	177, 178, 180
Litigation regarding patents, how to treat expenses in connection with.....	287
Locomotive and crew, expenses of when engaged in switching at mines.....	69
of wharf company rented for switching.....	416
Locomotive, damage to, caused by defective track of another carrier, treatment of	
charge by each carrier.....	399
hire of, in connection with switching service.....	368
hired on a per diem basis, classification of mileage for.....	381
switching done while in road service, expenses classified.....	70
work, mileage of, as basis of distribution of expenses.....	384
Locomotive-miles, classification of, for picnic, chartered and special trains.....	224
classification of, when locomotive is used in switching at coal	
and ore docks.....	135
distribution between passenger and freight.....	103
nonrevenue, service for outside parties on per diem basis.....	381
Locomotives, apportionment of expenses of.....	188, 189, 190
depreciation on.....	36
hired to contractor on construction work.....	53
in work-train service, repairs of.....	413
metallic packing for, how charged.....	256
paint applied to front end of, how charged.....	391
rents paid for stalls for housing, how charged	288
special service expense in bringing to shops.....	54
switching, computation of mileage.....	239, 240
treatment of betterments to.....	147
turning by connecting line, cost of.....	74
water for, amounts received from sale of.....	194
water for, apportionment of cost between yard and road	253
water for, pay of superintendent in charge of producing treated.....	201
water furnished by connecting line, cost of.....	74
Log loader, cost of, how charged.....	236
train, classification of mileage for.....	383
trains, revenue from use of tracks by.....	96
Loss, on account of duplicate payment of pay check, lost in mail.....	347
on destroyed shipments, how to charge the earned and unearned revenue	
thereon.....	279
Loss and damage, adjustment of reserve accounts for.....	155
on company material.....	8

M.

Machinery, electric, for shop purposes.....	58, 59
in bridges and buildings department, carpenter shops, maintenance	
of, how provided for.....	311
M. C. B. rules in connection with cost of removing advertisements from cars....	281
shop expenses not in conflict with.....	257
Material account, in connection with equipment destroyed, sold or retired from	
service.....	169, 170
accounts, adjustment of, to basis of inventory	9
rails and ties, adjustment of, and how handled	332, 333, 334

	Case.
Material cost of labor to follow	44
distribution of store expenses to	184, 185
freight charges on, when used in a joint-facility operation	395
in stock, cost of handling and adjustment of Store Expenses account ...	61
insurance on, how handled in accounts	181
obsolete, when taken out of stock and sold as scrap, to what account charged	153
percentage added to cost of, when rendering bills to other carriers, how credited	246, 262, 394
purchased not for immediate use	333
released from equipment condemned or destroyed	33
scrap, taken from temporary tracks, during construction	316
scrap, taken up, such as angle bars, frogs, etc	144
scrap, when not possible to preserve identity, how credited	174
train, delivering ballast, how classified	104
used for additions and betterments work, store and other expenses in con- nection with	373
Material and labor, percentage added to, representing superintendence, handling, transportation, etc.	262
Material and supplies, furnished at a terminal, how distributed	412
Mileage books, coupons found in covers returned for redemption	86, 89, 261
car, manner of keeping, for the various classes	242
classification of, for locomotive switching cars at ore docks	135
classification of, for motor or trailer cars	237
classification of, for nonrevenue cars in revenue trains	238
classification of, for a lumber company's log train, handled over carrier's tracks	383
classification of, locomotive, hired on a per diem basis	381
classification of, switching or yard service	382
classification of, when service is divided between road and switching	70
classification of work-train	104
computation of, for switching locomotives	239, 240
exchange order bureau, expenses of	271
of mixed trains, reference to distribution of, between passenger and freight	103
of passenger trains, run under a guaranty, classification of	221
treatment of, for detouring trains	105
work locomotive, for basis of distribution of expenses	384
Milk, revenue from transportation of, how classified	83
Milling in transit, revenue, how credited	92
Motor cars, gasoline, wages of motormen	73
Motorman, operating gasoline motor car, wages of	73
Motor-miles, disposition of	237
Municipal corporations, amounts paid to, for fire protection	305

N.

New primary accounts, ruling relative to	158
Newspapers, handled in baggage cars, revenue from	88

O.

Offices, general, rent and expenses of, when occupied by superintendents and officers other than general	404
Oil for lubrication of work trains, how considered	245

	Case.
Operating floating equipment, rail line expense in connection therewith, explanation of text.....	137
Operation, copy, salary of in connection with station work, what the word embraces in connection with joint facilities	46
Operators.....	251
telegraph, at freight stations	198
to receive and deliver orders for movement of trains, pay of	63
Outside operation, demurrage paid for detention of boats, how treated.....	27
Outside operations, allowances, as provided in Introductory Letter in Classification of Outside Operations.....	24
Boat Lines, covering the operation of tug and barge lines, between points on coast.....	143
not provided for in official classification.....	1
parlor car service, treatment of revenues and expenses of.....	25
repairs to parlor and sleeping cars and treatment of depreciation and renewals.....	55
repairs to sleeping cars.....	138
stock yards, treatment of revenues and expenses when not separable from rail operations.....	26
taxes on property.....	16
telegraph and telephone lines, commercial, revenues and expenses.....	43
treatment of cold-storage plant operation.....	142
warehouse companies, payment to for loading and unloading.....	65
Overcharges, freight, adjustment of reserve funds for.....	211
reserves to cover, adjustment of.....	4
Overflow of water, during construction period, damage caused thereby...	38, 314, 317, 392
Overtime service during strike.....	202
Ownership, consideration of, in joint-facilities accounts.....	308

P.

Packages in baggage cars, revenue from transportation of.....	88
Packing, metallic, for locomotives, how charged.....	256
Paint applied to front end of locomotive, how charged.....	391
Parlor car service, outside operation.....	25
treatment of earnings from.....	226
Parlor cars, treatment of repairs, depreciation, and renewals.....	55
Passenger, failure of train to stop for, damages on account of.....	79
cars, payments for switching.....	80
station, rent received for space in.....	97
statistics, when revenue is credited to account No. 10.....	224
train miles, where the revenue is divided.....	221
train service, through, one carrier paying expenses and billing another for proportion.....	284, 286, 363
Passengers, ejection of, damages by reason of	78
injured at station by work train, damages paid to.....	165
transfer of, between depots, explanation of text relative thereto.....	320
Patents, litigation regarding, expenses of.....	287
Pay check, lost and collection made by another party, treatment of loss.....	347
of crossing flagmen, when not a joint operation.....	493
of employees operating interlockers and other signals.....	468
of employees, while attending investigations, etc.....	445
of rock watchmen, to what chargeable.....	443
of trackmen unloading coal at stations.....	447

	- Case.
Payments to a carrier for use of locomotives and cars in running trains over own tracks, division of payment between "Hire of Equipment" and primary operating expense accounts.....	195
Penalties for failure to furnish cars under reciprocal demurrage laws.....	77
Penalty collections on trains, disposition of unclaimed.....	89
Pension funds, treatment of amounts paid.....	208
adjustment of, and treatment of amounts paid as pensions.....	302
Percentage added to material and labor, representing superintendence, handling, transportation, etc.....	262
or profit added to cost of labor and material, when rendering bills to other carriers, how credited	246, 262, 394
Per diem paid on equipment, to road under construction.....	415
reclaims, how treated.....	249
how treated by a switching road.....	270
Permission to cross tracks and right of way, disposition of revenue therefrom.....	128
Pile driver, used on construction of a bridge, rent of.....	266
Power, cost of, clearing account for.....	60
for propulsion of cars, etc.....	58, 59
generated for shop purposes.....	58, 59, 60
house, electric, application of clearing account in connection with operation of.....	178, 180
supplies in connection with, treatment through shop expenses.....	177
Power plant equipment, application of account	58, 59
Printing coupons and local tickets and baggage checks, cost of	454
Profit added to cost of labor and material, when rendering bills to other carriers, how credited	246, 262, 394
Profits, from sale of gravel.....	230
Property acquired and house erected for use of superintendent, classification of cost of.....	140
assessments against, for street pavings, sidewalks, curbs, sewers, etc., how charged.....	149
damaged by inadequate waterways.....	38
depreciation on, other than equipment.....	40, 106
houses acquired with right of way, rent of.....	130
houses not on right of way, rents, how credited.....	141
insurance on, when not used in railroad operations.....	16
not used in operation of road, rent of, how credited.....	127
not used in operations, treatment of rents and expenses.....	16
of another carrier damaged by locomotives of a carrier	471
rent of, based on interest valuation.....	12

R.

Rail and tie accounts, adjustment of and how handled.....	332, 333, 334
Rail rests, expense of placing along line of road for rails.....	403
Rails, bonding, cost of, for signals and interlockers.....	42
depreciation on, may be charged through subaccounts.....	40
increased weight of, in additions and betterments work	145
reserves for.....	32, 332
Rate for depreciation, statement relative to	109
Rates, special, in connection with handling soldiers, commissary and accouterments, classification of the revenue.....	325
Reclaims, per diem, how treated.....	249
per diem, on switching roads.....	270

	Case.
Reconsignment charges, how credited.....	92
Refrigeration charges borne by carrier.....	274
Refuse and garbage around stations, cleaning up.....	475
Reinsurance, premiums paid for.....	31
Renewal accounts, adjustment of and how charged.....	162
Renewals accounts, when charge should be made for equipment renewals.....	175
bridge, how treated.....	335
equipment destroyed or sold	100, 170
equipment, how treated.....	112
parlor and sleeping cars.....	55
tie and rail, how provided for in accounts.....	32, 332, 333, 334
Rent, based on interest on valuation, in operation of a joint facility.....	273
based on interest valuation.....	12
based on valuation, for use of tracks.....	11
cost of wharfinger license.....	360
explanation of the text for "Rents of Buildings and Other Property" and the rent feature in joint-facilities accounts.....	327
for bridges.....	17
for connecting track.....	405
for driveways at stations.....	406
for facilities furnished express companies, how credited.....	119
for general offices, when occupied also by superintendents and other officials, how divided.....	404
for joint facility based on flat rate per annum.....	250
for jointly used track.....	204, 295
for land and other property not used in operation of road, how credited.....	127
for land for roadway to side track.....	370
for land to prevent a street from crossing track.....	307
for land upon which depot is built, how charged.....	306
for land upon which tracks are laid.....	13
for offices for advertising department.....	397
for offices for claims department, in connection with "injuries to persons" claims.....	35
for offices for legal department.....	345
for offices for superintendent of telegraph.....	397
for pile driver used in construction of a bridge, to what account charged...	266
for privilege of crossing streets, etc.....	122
for use of stalls for locomotives, how charged.....	288
for temporary use of track to obtain water and turn engine.....	74
for terminals, disposition of	280
for track, station buildings, and other facilities in joint operation, based on valuation, proportion of expenses, and part of revenue.....	215
for trackage rights, on basis of a certain rate per car.....	133, 268
for tracks, based upon a percentage of valuation of property, apportionment of.....	121
for tracks, based upon proportion of revenue or upon a fixed sum per year, apportionment of.....	120
for tracks, etc., in the operation of joint interlocking plant.....	116, 117, 275
for tracks, in delivery of live stock to stock yards.....	263
for tracks, jointly used, how treated in accounts.....	290, 291, 362
for yards and tracks, payment involving no element of operation.....	289
from a union station company for land occupied, how credited.....	292
from contractor for engine and cars used on construction work.....	53

	Case.
Rent from houses acquired in connection with right of way	139
from houses not on right of way, how credited.	141
from lease of restaurants and expenses of supplies furnished.....	136
from lumber firms, for right to operate over tracks of carrier.....	134
from property not used in the operation of a railroad.....	16, 296
from section of track, how credited.....	365
from side track, when from an individual to what account credited.....	293
from space in passenger station.....	97
from track, operated without expense to owner.....	14
from tracks used by a lumber company not reporting to the Commission...	96
in joint operation of freight stations.....	414
in operation of a joint facility, based on valuation and proportion of revenue.	372
in operation of interlockers and other crossing signals.....	272, 283, 303
in operation of joint facility, and manner of handling accounts by each carrier.....	160
in operation of joint terminal.....	371
Rents, operation of joint interlockers.....	312
operation of joint tracks.....	285
received from electric line for use of track	495
taxes paid as part of.....	16
Repairs, equipment, clearing account for shop expenses.....	173
to cars, electrically propelled.....	57
to cars in work service.....	235
to commercial cars and locomotives.....	413
to flat cars when fitted with tanks for hauling gas for lighting cars	481
to sleeping cars.....	138
to work equipment, when in commercial service.....	482
to wrecking derrick.....	339
Replacement, clearing account for, when borrowed equipment is destroyed.....	112
material released from equipment retired.....	33
Replacement accounts, cars destroyed handled through this account.....	176
destruction of equipment, how affected by.....	352, 353
equipment, how considered.....	486
funds, how shown in annual reports.....	486
scrap material sold.....	174
Reserve accounts, disposition of balances in.....	4
funds, adjustment of, for freight overcharges.....	211
Reserves, explanation relative to requirements of replacement accounts.....	171
for injuries to persons, loss and damage, and stationery and printing ..	155
for rails and ties, annual adjustment	32, 332, 333, 334
holding until liabilities are paid.....	211
Restaurants, lease of, to outside parties, treatment of expenses for supplies furnished.....	136
Revenue accounts, basis of credits to.....	231
commercial telephone, how credited.....	95
commissions received for collecting premiums on insurance policies, etc., from employees, how credited.....	99
earned and unearned, on shipments lost or destroyed in transit.....	279
excess baggage, explanation of text of account for.....	88
freight, guaranty by industrial company	93
freight, how affected, by elevator charges.....	472
from chartered train handled under guaranty.....	85, 221, 222, 227
from handling trains of other carriers over own tracks.....	225

	Case.
Revenue from stop-off privileges, how credited	94
guaranty for passenger train to insure service, disposition of	87, 90
local mileage tickets and apportionment to States	84
milk transportation, how classified	83
passenger, classification of amounts received for passenger trains run under a guaranty	222, 227
reconsignment and milling in transit charges	92
special service train, commodities handled and conditions in connection with	325
switching, absorbed, proportion due by another carrier	2, 214
switching, apportionment between switching and freight revenue	210
switching, explanation of text in connection with	322
switching, handling express cars	260
switching, handling private car	259
switching, in connection with handling cars, the lading of which has to be transferred	130, 131
switching, from handling defective cars at junctions	206
switching, from interchange of traffic with other roads	191
switching, from movement of cars between two sidings under one agent	91
Right of way, amount received for cutting hay on, how credited	252
permission to cross with a sewer pipe	128
Road and Equipment, Classification of Expenditures for, adjustment of ledger ac- counts to inventory values	172
Classification of Expenditures for, explanation of text for account No. 15, Crossings and Signs	102
Classification of Expenditures for, freight cars purchased and not used in operating, how repairs are to be charged in connection with construction work	235
Classification of Expenditures for, to what applied	18
Classification of Expenditures for, when to be used and when the operating classification should be used	115
Classification of, explanation of account No. 1, "Engi- neering"	100
cost of moving tracks and telegraph line of another rail- road from site for bridge, how charged	315
discount on bonds sold for, to what account charged	101
Road and switching service, division of train crew expense between	71
Roadbed, depreciation on, may be charged, when	40
Road service, division of expense of switching service	189, 190, 191
Roadway, payment for lease of ground for	370
Roadway tools and supplies, cost of concrete mixer not mounted on cars	388
Rock watchmen, pay of, to what account chargeable	443
Roundhouse, joint operation of	409

S.

Salaries of employees, during strike, for overtime, loyal service, etc., how charged	202
treatment of, in joint agencies	118
of engineers, when specially employed to work on plans for bridges, docks, and wharves, how charged	100
of fire chiefs	37
of general manager and general superintendent, with supervision over several departments, apportionment of	330, 484

	Case.
Salaries of general officers, and employees acting in capacity of general officers, how disposed of.....	209
of president and his clerks and attendants, distribution of.....	82
of purchasing agents and storekeepers, distribution of, in connection with store expenses.....	184, 185
of telegraph operators at stations, how charged.....	198
Salary, of agents, commissions paid in lieu of.....	387
commissions paid ticket agents in lieu of.....	64, 387
of general manager, who is also purchasing agent, how distributed.....	156
of land and tax commissioner, now charged.....	255
of produce exchange weighers, extra pay, how charged.....	199
of station agent and telegraph operator, how divided.....	251
of stationer, to what accounts distributable.....	154
of superintendent of water service, how divided.....	201
Salvage, from another carrier's equipment destroyed.....	456
value of, in connection with the conversion of equipment to other pur- poses.....	352
Sand driers, fuel for.....	75
payment made for loading, how charged.....	267
Scales, track, how classified under Additions and Betterments.....	150
Scrap, from temporary tracks used in construction.....	316
material taken out of stock, obsolete, etc.....	9, 153
material taken up, other track material, such as angle bars, frogs, etc.....	144
when identity is lost, how treated.....	174
Seals, car, cost of, how charged.....	340
Section houses, water supplied to.....	459
Securities given as commission, discount on.....	234
Sewers, assessments for.....	149
Shop expenses, clearing account, basis of distribution.....	183
clearing account, distribution of labor in connection with.....	179
clearing account, in connection with.....	173
in connection with power house.....	177
in connection with the operation of a joint facility.....	393
not in conflict with M. C. B. rules.....	257
power for shop purposes, cost of.....	60
Shops, carpenter, maintenance of machinery in, how provided for.....	311
Side track, expenses in connection with joint use of.....	308
payment for lease of ground for roadway to.....	370
rent of land upon which built.....	307
rent of, to an individual, how credited.....	293
Sidings and spur tracks defined.....	377
where charged when new and when moved or taken up.....	157, 158
Signals and interlocker systems, bonding rails for.....	42
interlockers, and other, pay of employees operating.....	468
lighting and care of.....	196, 197
lubricating, expense of.....	76
Sleeping and parlor cars, treatment of repairs, depreciation and renewals.....	55
cars, repairs to, how treated.....	138
Soldiers, commissary and accouterments, handling of, classification of revenue...	325
Special service, locomotives, expense in bringing to shop for repairs.....	54
train miles, where passenger revenue is divided.....	221
trains, distribution of guaranteed revenue.....	222, 227
Standpipes, used jointly for water supply.....	357, 358

	Case.
Station employees, expenses of, how charged	205
payments for handling freight under contract.....	65
storekeepers or others receiving commissions.....	64
switch lamps, lighting and care of	196, 197
Stations, cleaning up garbage and refuse around.....	475
expense of draping, how charged.....	313
freight, joint operation of.....	414
joint facilities	272, 278
joint facilities at junctions, cost of.....	193, 258
land rented for station grounds.....	306
operated as a joint facility.....	361
rent of space in, for counter.....	97
rents paid for driveways at	406
wages of trackmen engaged in unloading coal for use of.....	447
when joint facilities, how treated in accounts.....	278
Stationer, salary of, to what accounts distributable.....	154
Stationery and printing, adjustment of reserve accounts for.....	155
in connection with storage on baggage.....	341
used by outside agents, advertising department, and fast freight lines, how classified.....	244
Statistics, for special trains.....	224
mileage, trackage rights.....	195
Stock, damage to, on right of way.....	396
killed during construction of road	314
Stock yards, explanation of text of station employees' account.....	67
joint facility, in connection with delivery of live stock to.....	263
treatment of revenues and expenses when not separable from rail operation.....	26
Stocks, discount on.....	234
Stop-off privileges, charges for, how credited.....	94
Storage on baggage, expense in connection with.....	341
Store and other expenses in connection with material used in additions and better- ments work	373
Store expenses, clearing account for, closed out when	61
distribution of salaries of purchasing agents, storekeepers, etc., in connection with.....	184, 185
Storehouses, at a terminal, material and supplies furnished therefrom.....	412
Subaccounts, for depreciation on way and structures.....	40
Subprimary accounts, how set up.....	158
Suits, garnishment, how to credit fees received on account of	229
Superintendence and supervision, what each account includes in connection with the various classes of car repairs.....	264
application of text.....	484
percentage added to bills for labor and material, to cover.....	246, 262
under Maintenance of Equipment, explanation of the terms "general foremen" and "shop foremen".....	248
where the general manager and general superintendent have supervision over several departments, apportionment of salaries of.....	330, 484
Superintendent of telegraph, rent of office for use of.....	397
Superintendents and officers other than general, apportionment of rent and ex- penses of general office when occupied by.....	404

	Case.
Supervision as distinguished from superintendence, in connection with the various classes of car repairs.....	264
Supplies, cost of, how treated in joint-facilities accounts.....	410
for switch lamps, at points where there is no regular switching service..	68
freight charges paid to foreign roads on.....	395
furnished to locomotives, how considered.....	412
Surveys, engineering expenses in making tentative.....	6
Suspended employees, amounts paid to, on account of award of wages.....	401
Switch engine and crew, employed in picking up lumber lost from freight train of another carrier, cost of service.....	282
keys, collections and refunds for.....	299
lamps, cost of supplies for, where no regular switching service is maintained.....	68
labor lighting and caring for.....	196, 197
Switch and signal tenders for the movement of main line and yard trains.....	468
Switches and signals, lubrication of.....	76
Switching and road service, division of train-crew expense between.....	71
yard service, classification of mileage for.....	382
at mines, expenses of engines and crews engaged in.....	69
cars at ore docks, expense of, and classification of mileage.....	135
charges absorbed, proportion paid another carrier.....	2, 214
charge on empty cars in connection with loaded movement.....	265
charges paid to industrial companies when the service is performed by their locomotives.....	220
empty equipment, how charged under various conditions.....	81
locomotive-miles, how apportioned when partially engaged in train service.....	70
passenger equipment, how charged.....	80
performed for carrier by connecting line, how charged.....	218
revenue, absorbed, proportion due by another carrier.....	2, 214
apportionment between switching and freight revenues.....	210
derived from handling trains of other carriers over own tracks.....	225
derived from interchange of traffic.....	191
explanation of text.....	322
for handling a private car.....	256
for handling defective cars.....	206
for handling express cars.....	260
for movement between two sidings under one agent.....	91
in connection with handling cars, the lading of which has to be transferred.....	130, 131
road, treatment of hire of equipment and per diem claims by.....	270
roads, application to, of hire of equipment.....	126
hire of equipment on, how handled.....	52
service by way trains, extra expense on account of.....	72
by yard and road locomotives, how divided.....	189, 190, 191
explanation of the several classes, and how treated.....	81
in yards, classification of expenses.....	192
on empty cars not in loaded movement.....	461
on wharf, hire of engine and crew in connection with.....	416
rent of locomotive in connection with.....	368
Switchman, wages of, during suspension.....	401

T.

	Case.
Tank cars for hauling water supply for locomotive.....	458
Tanks, iron, placed on flat cars for transporting gas supply for coaches.....	481
Tax commissioner, salary of, how charged.....	255
Taxes as part of rent paid or received on leased track.....	15
on joint facilities.....	10
on property not used in the operation of a railroad.....	16
Telegraph line, removal of, in connection with the construction of an overhead bridge.....	315
Telegraph lines, commercial, revenues and expenses.....	43
Telegraph operator and station agent, salary of, how divided.....	251
Telegraph operators, at stations, salaries of, how charged.....	198
pay of, when employed in connection with train movement..	63
Telegraph, rent of offices for use of superintendent of.....	397
Telephone line, commercial, revenue from, how credited.....	95
Telephone lines, commercial, revenues and expenses.....	43
Tenants, amounts received from, for cutting hay on right of way, how credited..	252
Terminal, joint operation of a.....	492
joint operation of a, expense in connection with.....	371
yards defined.....	377
Terminals, lease of, how treated in accounts.....	280
Text for note to account No. 19 of Classification of Operating Revenues, explanation of.....	98
Theft, expense of removing car brasses to prevent.....	336
Tickets, local, coupons and baggage checks, cost of printing.....	454
local mileage, apportionment of revenue therefrom to States.....	84
mileage, coupons in books returned for redemption, how credited.....	261
mileage, expenses of bureau for the handling of, how charged.....	271
purchased to one point and used to an intermediate point, revenue on..	216
value of special admission amusement coupons, how disposed of.....	328
Tie and rail accounts, adjustment of and how handled.....	32, 332, 333, 334
Ties, depreciation on, subaccounts for.....	40, 332
reserve accounts for replacing.....	32
Tools, concrete mixer, cost of.....	388
Towing boats, analogous to switching movement, how charged.....	212
Track, removal of, in connection with the construction of an overhead bridge....	315
taxes on, paid as part of rent.....	15
Track scales, cost of.....	150
Trackage, payment made on basis of a percentage of passenger earnings.....	362
rents paid for use of tracks in addition to maintenance.....	289
rent received for, how credited.....	365
rights, apportionment of charge for.....	195
rights, for which payment is made at rate of \$4 per car.....	268
rights in the operation of a joint facility, how treated in accounts.....	285
rights, rents paid for, on basis of a percentage of valuation.....	121
rights, rents paid for, on basis of certain rate per car.....	133
rights, rents paid for, on basis of proportion of revenue or upon a fixed sum per year.....	120
rights, to lumber firms, payment on basis of a certain amount per car..	134
Trackmen engaged in unloading coal at stations, wages of.....	447
Tracks and yards, payment for use of, not involving any element of operation, how treated in accounts.....	289

	Case.
Tracks, built upon property rented from another carrier	13
connecting, rent paid for use of.....	405
damaged by wreck of another carrier using under trackage agreement....	364
joint facility, rents and expenses.....	160
joint, in yards or terminals.....	361
joint operation of, on rent basis.....	294, 295
joint use of, where rent paid is upon basis of valuation and in addition a proportion of revenue.....	372
permission to cross, with a telephone line.....	128
rent based on valuation, paid for use of.....	11
rent paid for use of, in joint operation.....	290, 291
rents for use of sidings.....	293
revenue from use of, by lumber company.....	96
side, joint, expenses of.....	308
temporary, cost of.....	157, 158
temporary cost of, during construction and removal of same.....	316
temporary use of, by connecting line.....	74
used by another carrier at no expense to owner, rent from.....	14
used by electric line, rent of.....	495
used in connection with union station facilities.....	492
Trainmen, pay of, when employed on water trains	458
while attending investigations, etc.....	445
Train mileage, where passenger revenue is divided	221
Train service, passenger, through, one carrier paying all expenses, and billing other carrier for its proportion, how treated in accounts	284, 286, 363
Trains, chartered, or under guaranty, treatment of revenue	85, 87, 90, 221, 222, 227
circus, special or chartered, revenue derived from handling.....	223, 224
special, for carrying soldiers, commissary and accouterments, classifica- tion of revenue from.....	325
through service, treatment of bill for proportion of expense of.....	363
Transfer of grain en route, cost of elevating	472
of passengers and baggage between depots, explanation of the text in connection with.....	320
Traveling expenses of station employees, how charged	205

U.

Unclaimed penalty collections, redeemable portions of mileage tickets and cre- dentials, how credited	261
Uncollectible undercharges and other items in agents' accounts	276
Undercharges, uncollectible, in agents' accounts	276
Union station, joint operation of	492
participation in deficit from operation of.....	329

W.

Wages of crew and use of switch engine, in picking up lumber lost from freight train of another carrier, the accounts charged and credited	282
of employees at crossings, etc., how charged.....	204
of employees collecting salvage.....	456
of employees while attending accident investigations.....	445
of engineers and firemen, how divided.....	188, 189, 190
of flagmen at crossings, part of a joint facility.....	493

	Case.
Wages of hostlers and helpers, how apportioned between road and yard service...	203
of motormen, operating gasoline motor car, how charged.....	73
of rock watchmen, how distributed.....	443
of suspended switchmen.....	401
of trackmen engaged in unloading coal for station use.....	447
of train crew handling tank cars for locomotive water supply.....	458
Washouts, or overflows, as a result of constructing new track.....	314, 317
Watchmen, employed at crossing, part of a joint facility.....	359
rock, distribution of wages of.....	443
Water, damages by overflow of.....	314, 317
for locomotives, amounts paid by other carriers, how credited.....	194
for yard and road locomotives, basis of apportionment.....	253
furnished connecting line, how charged.....	74
service, salary of superintendent, how divided.....	201
stations, how treated in accounts, when a joint facility.....	278
supplied to section houses.....	459
supply for locomotives, cost of handling tank cars by special trains for.....	458
supply, from a standpipe between two tracks, cost of, how apportioned..	357, 358
trains, wages of crew employed on.....	458
Waybills, corrections on, overcharges and undercharges.....	276
Way trains, disposition of extra expense caused by switching done by.....	72
Welghers, produce exchange, at terminals, extra pay of, how charged.....	199
Welghing and car-service association, payment to railway clearing houses for car distribution.....	301
Wharf, switching service at, hire of engine and crew.....	416
Wharfing license, cost of, to what account charged.....	369
Witness fees paid to employees and others in connection with claims for personal injury and damage to property.....	310
Work cars in commercial service, repairs to, how charged.....	47, 482
Work train, delivering ballast, how classified.....	104
Work trains, oil for lubrication of, how considered.....	245
Work-train service, repairs of locomotives and commercial cars in maintenance of way service.....	413
Wreck, causing damage to bridge, necessitating a temporary pile structure.....	450
clearing, how to handle in accounts the amount paid for the use of a wreck train of another carrier.....	243
in joint yards, when tenant company responsible, cost of.....	364
passenger train, expenses of detective agency in connection with, how charged.....	331
Wrecking derrick, steam, depreciation, repairs and renewals of, how charged.....	339

Y.

Yard service, division of expense of switching service.....	189, 190, 191
expenses in connection with switching service.....	192
Yards, car cleaning, cost of cleaning.....	41
joint, operation of.....	161
rents paid for use of, in addition to maintenance.....	289
terminal, defined.....	377

O

Accounting Bulletin No. 5

DECISIONS UPON QUESTIONS

RAISED UNDER

CLASSIFICATIONS

PRESCRIBED BY

**THE INTERSTATE COMMERCE
COMMISSION**

FOR ELECTRIC RAILWAYS .

IN ACCORDANCE WITH

SECTION 20 OF THE ACT TO REGULATE COMMERCE

Effective on May 1, 1910

(Supersedes Accounting Bulletin No. 2)



**WASHINGTON
GOVERNMENT PRINTING OFFICE
1910**

THE INTERSTATE COMMERCE COMMISSION.

MARTIN A. KNAPP, *of New York.*

JUDSON C. CLEMENTS, *of Georgia.*

CHARLES A. PROUTY, *of Vermont.*

FRANCIS M. COCKBELL, *of Missouri.*

FRANKLIN K. LANE, *of California.*

EDGAR E. CLARK, *of Iowa.*

JAMES S. HARLAN, *of Illinois.*

EDWARD A. MOSELEY, *Secretary.*

(3)

INTRODUCTORY LETTER.

INTERSTATE COMMERCE COMMISSION,
BUREAU OF STATISTICS AND ACCOUNTS,
Washington, April 16, 1910.

TO CARRIERS CONCERNED:

Under date of August 16, 1909, there was issued Accounting Bulletin No. 2, which contained answers to various accounting questions bearing upon the interpretation of certain classifications for electric railway companies, prescribed by the Interstate Commerce Commission to become effective on January 1, 1909. The cases in Accounting Bulletin No. 2 are reprinted in this Accounting Bulletin No. 5, with the exception that one case has been amended. Thus Accounting Bulletin No. 5 contains a file of important cases relating to the classifications for electric railways that were submitted before March 1, 1910.

As a matter of information it may be proper to state that the answers to questions recorded in this bulletin have received the approval of the Committee on Standard Classification of Accounts, of the American Street and Interurban Railway Accountants' Association.

HENRY C. ADAMS,
In charge of Statistics and Accounts.

CASE 17.

Query. We have installed in our different carhouses some large storage tanks for compressed air. The compressed air is used in filling air tanks on cars for the operation of brakes. To what account should we charge the maintenance and operation of said tanks?

Answer. The cost of maintenance should be charged to account No. 38, "Shop Machinery and Tools," and the cost of operation to account No. 63, "Miscellaneous Car-Service Expenses."

CASE 18.

Query. To what account should be charged the cost of printing expense bills, balance sheets, and other stationery used in the handling of express and freight business incident to the operation of an electric railway?

To what account should be charged printing and stationery used by clerks whose salaries are charged to account No. 1, "Superintendence of Way and Structures;" account No. 29, "Superintendence of Equipment," and account No. 48, "Superintendence of Transportation?"

Answer. The cost of expense bills, balance sheets, and other stationery should be charged to account No. 84, "Stationery and Printing." By referring to the note under "Undistributed Accounts," on page 45 of the classification of Operating Expenses of Electric Railways, it will be found that carriers are at liberty to distribute items covered by accounts Nos. 82 to 88, inclusive, but that all reports to the Commission must agree with the accounts which are prescribed.

The cost of stationery and printing used by clerks whose salaries are charged to accounts Nos. 1, 29, and 48 should be charged to account No. 84. (*See Cases 14 and 23.*)

CASE 19.

Query. We have on our lines foreign cars on which we pay a per diem charge. To what account should an expense of this nature be charged? To what account should be charged the maintenance of such cars while on our tracks?

Answer. Per diem on foreign cars should be charged to account No. 88, "Rent of Equipment," and the maintenance of such cars while on your tracks to account No. 32, "Passenger and Combination Cars;" account No. 33, "Freight, Express, and Mail Cars;" account No. 35, "Service cars;" or account No. 36, "Electric Equipment of Cars."

CASE 20.

Query. We have electric cars equipped and used as pile driver, steam shovel, concrete mixer, and stone crusher. To what accounts should be charged the maintenance of these cars and the machinery?

Answer. The maintenance of such cars and machinery should be charged to account No. 35, "Service Cars," or account No. 36, "Electric Equipment of Cars," except when the cars are used on work not chargeable to operating expenses.

CASE 21.

Query. To what account should be charged the wages of clerks in carhouses whose duty it is to furnish motormen and conductors with their tickets and supplies, and to receive from conductors their daily remittances and arrange same before sending to the general office?

Answer. To operating expense account No. 48, "Superintendence of Transportation."

CASE 22.

Query. To what account should an electric carrier charge commissions and wages paid for the sale of school and other tickets at various stores along the line?

Answer. If the tickets are sold at stores which can be considered stations, charge commissions and wages paid to account No. 64, "Station Employees;" if the stores can not be considered stations, charge to account No. 45, "Superintendence and Solicitation."

CASE 23.

Query. To what account should be charged the cost of printing and furnishing reports made by conductors each day (trip sheets) and shortage notices?

Answer. To operating expense account No. 84, "Stationery and Printing." (See Cases 14 and 18.)

CASE 24.

Query. To what account should be charged the salary and expenses of a supervising engineer in charge of the construction of a new line and buildings, and the installation of machinery in power plants? It is not clear to us whether these expenses should be charged to account No. 1, "Engineering and Superintendence," or charged directly to the account for which incurred, in accordance with Note B.

Answer. If the engineer in question has direct supervision over all of the work in connection with the construction of a new line, it will prob-

ably not be possible to apportion his salary and expenses among the various construction accounts, and charges should, therefore, be made to account No. 1, "Engineering and Superintendence," in the Classification of Expenditures for Road and Equipment of Electric Railways.

Note B, under account No. 1, provides that, whenever it is possible, the expenses enumerated should be charged directly to the account for which incurred, as for example, power-plant buildings, or shops and carhouses. However, it is not the intention to insist upon any unnecessary refinement in accounting for such matters.

CASE 25.

Query. Should all the ties, rails, rail fastenings, and joints used in connection with cross-overs, curves, and turn-outs be charged to account No. 8, "Special Work," in the Classification of Expenditures for Road and Equipment of Electric Railways? What is meant by the term "curves," as specified in said account?

Answer. Account No. 8, "Special Work," is not intended to cover the cost of ties, rails, rail fastenings, and joints. These items should be charged to accounts provided for such expenditures. The terms "cross-overs," "curves," and "turn-outs" cover only those portions of track which are made to order.

Ordinary curves should be treated as "rails," and other curves as "special work."

CASE 26.

Query. What instructions, if any, have been issued by the Interstate Commerce Commission covering the treatment of amounts expended by electric railways for betterments and improvements?

Answer. The Commission has issued no instructions to electric railways relative to additions and betterments expenditures. Until advised to the contrary, it will only be necessary for such carriers to dispose of expenditures of this nature in accordance with the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 27.

Query. Will a company using the standard system of electric railway accounting recommended by the Street Railway Accountants' Association of America be required to adopt the Classifications of Operating Revenues and Operating Expenses of Electric Railways as prescribed by the Interstate Commerce Commission?

Answer. If a company engages in the interstate transportation of persons or property, it should keep its accounts in accordance with the classifications prescribed by the Interstate Commerce Commission effective on January 1, 1909.

CASE 28.

Query. To what account should be charged the cost of cleaning the conduit under tracks and removing dirt and trash of various kinds which collect therein on roads operated by the underground conduit system?

Answer. This is a feature of maintenance, and is properly chargeable to operating expense account No. 11, "Cleaning and Sanding Tracks."

CASE 29.

Query. We note that the accounts "Interest, Discount, and Exchange" and "Taxes," heretofore carried by many companies in their general expense, have been dropped from the classification of the Interstate Commerce Commission. Please advise as to the manner in which they should be handled.

Answer. Interest, discount, exchange, and taxes, when arising in connection with operations, should be handled through the Income Account. Interest in connection with expenditures for road and equipment should be handled through primary account No. 41, "Interest," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 30.

Query. This company's tower wagon is frequently used in connection with the construction of electric lines along new tracks, and it has been our custom to credit to "Stable Expenses" the cost of the service. Is this correct?

Answer. The expenses of repair or tower wagons which are frequently used in construction work should be apportioned between maintenance and construction accounts in accordance with the use to which they are put. If expenses properly chargeable to construction have been included in account No. 40, "Horses and Vehicles," and account No. 86, "Stable Expenses," these accounts should receive proper credit.

CASE 31.

Query. A railway company's shop performs services properly chargeable to various construction accounts and to other companies and persons. To what account should be credited the department expense added to the cost of labor and material to cover a portion of miscellaneous shop and storeroom expenses?

Answer. It should be credited to the proper accounts under Operating Expenses.

ably not be possible to apportion his salary and expenses among the various construction accounts, and charges should, therefore, be made to account No. 1, "Engineering and Superintendence," in the Classification of Expenditures for Road and Equipment of Electric Railways.

Note B, under account No. 1, provides that, whenever it is possible, the expenses enumerated should be charged directly to the account for which incurred, as for example, power-plant buildings, or shops and carhouses. However, it is not the intention to insist upon any unnecessary refinement in accounting for such matters.

CASE 25.

Query. Should all the ties, rails, rail fastenings, and joints used in connection with cross-overs, curves, and turn-outs be charged to account No. 8, "Special Work," in the Classification of Expenditures for Road and Equipment of Electric Railways? What is meant by the term "curves," as specified in said account?

Answer. Account No. 8, "Special Work," is not intended to cover the cost of ties, rails, rail fastenings, and joints. These items should be charged to accounts provided for such expenditures. The terms "cross-overs," "curves," and "turn-outs" cover only those portions of track which are made to order.

Ordinary curves should be treated as "rails," and other curves as "special work."

CASE 26.

Query. What instructions, if any, have been issued by the Interstate Commerce Commission covering the treatment of amounts expended by electric railways for betterments and improvements?

Answer. The Commission has issued no instructions to electric railways relative to additions and betterments expenditures. Until advised to the contrary, it will only be necessary for such carriers to dispose of expenditures of this nature in accordance with the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 27.

Query. Will a company using the standard system of electric railway accounting recommended by the Street Railway Accountants' Association of America be required to adopt the Classifications of Operating Revenues and Operating Expenses of Electric Railways as prescribed by the Interstate Commerce Commission?

Answer. If a company engages in the interstate transportation of persons or property, it should keep its accounts in accordance with the classifications prescribed by the Interstate Commerce Commission effective on January 1, 1909.

CASE 28.

Query. To what account should be charged the cost of cleaning the conduit under tracks and removing dirt and trash of various kinds which collect therein on roads operated by the underground conduit system?

Answer. This is a feature of maintenance, and is properly chargeable to operating expense account No. 11, "Cleaning and Sanding Tracks."

CASE 29.

Query. We note that the accounts "Interest, Discount, and Exchange" and "Taxes," heretofore carried by many companies in their general expense, have been dropped from the classification of the Interstate Commerce Commission. Please advise as to the manner in which they should be handled.

Answer. Interest, discount, exchange, and taxes, when arising in connection with operations, should be handled through the Income Account. Interest in connection with expenditures for road and equipment should be handled through primary account No. 41, "Interest," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 30.

Query. This company's tower wagon is frequently used in connection with the construction of electric lines along new tracks, and it has been our custom to credit to "Stable Expenses" the cost of the service. Is this correct?

Answer. The expenses of repair or tower wagons which are frequently used in construction work should be apportioned between maintenance and construction accounts in accordance with the use to which they are put. If expenses properly chargeable to construction have been included in account No. 40, "Horses and Vehicles," and account No. 86, "Stable Expenses," these accounts should receive proper credit.

CASE 31.

Query. A railway company's shop performs services properly chargeable to various construction accounts and to other companies and persons. To what account should be credited the department expense added to the cost of labor and material to cover a portion of miscellaneous shop and storeroom expenses?

Answer. It should be credited to the proper accounts under Operating Expenses.

CASE 32.

Query. To what accounts should the following charges be made?

(1) Rents paid to private firms or individuals for the right to operate over private property.

(2) Rent for land on which pole-line right of way for high-tension lines is located.

(3) Amounts paid to municipalities for the right to operate cars over and across streets.

(4) Amounts paid to boards of public works, county officers, etc., for the right to operate cars on and across public highways.

Answer. (1) Charge to account No. 19, "Other Miscellaneous Way Expenses."

(2) Charge to account No. 24, "Miscellaneous Electric Line Expenses."

(3) and (4) Charge to "Taxes" under "Deductions from Income."

CASE 33 (*amended*).

Query. To what account or accounts should be credited charges made against operation and construction accounts for electricity furnished by an electric railway company for the use of its shop motors, carhouse lighting, running of construction cars engaged in company service, such as building new tracks, etc.?

Answer. The Classification of Operating Expenses of Electric Railways does not require a segregation of the cost of power to shops, carhouses, etc. The last paragraph on page 7 of the Classification provides that any carrier may "keep any temporary or experimental accounts, the purpose of which is to develop the efficiency of operations: *Provided, however,* That such temporary or experimental accounts shall not impair the integrity of any general or primary account hereby prescribed; and that any such temporary or experimental accounts shall be open to inspection by the Commission." It is therefore permissible for any carrier to ascertain for its own information the cost of power used at shops or carhouses.

The Classification of Operating Expenses of Electric Railways does not contemplate that any distribution shall be made to maintenance accounts for electricity furnished by an electric railway for the use of its shop motors, carhouse lighting, or running of work cars engaged in maintenance.

The actual cost of operating work cars for construction purposes, such as building new tracks, etc., is properly chargeable to construction accounts, and proper credit may be given to revenue account No. 9, "Miscellaneous Transportation Revenue." (*See Case 84.*)

CASE 34.

Query. A large percentage of the purchases made by the purchasing department of this company are for construction and betterment purposes. Would it be permissible to charge to the appropriate construction and betterment accounts such a proportion of the salaries and expenses of that department as would fairly represent the expense of the purchases made primarily for such construction and betterments?

Answer. The Classification of Operating Expenses of Electric Railways is intended to cover operating expenses only, and it is proper to charge to the appropriate construction and betterment accounts such a proportion of the salaries and expenses of purchasing agents and assistants as would fairly represent the expense of the purchases made for such construction and betterments. In the consideration of this question account No. 85, "Store Expenses," should not be overlooked.

CASE 35.

Query. What is meant by "Undistributed Accounts" in the Classification of Operating Expenses of Electric Railways?

Answer. Undistributed accounts are those which contain expenses properly chargeable to more than one of the five general accounts under Operating Expenses. For example, there are injuries which, from a strict accounting standpoint, should be charged under "Way and Structures," "Equipment," etc. There are various difficulties in distributing these expenses among the various general accounts and the Commission is willing that all expenses for injuries should be carried in account No. 82, "Injuries and Damages," under general account "General and Miscellaneous."

CASE 36.

Query. A carrier conducting a railway, lighting, and power business carries its general accounts in the lighting and power department. A monthly charge for power is made to the street railway department and to the lighting department. Are the monthly charges for power to the lighting and street railway departments satisfactory and is a single balance sheet for the entire business permissible?

Answer. Each carrier conducting a railway, lighting, and power business is at liberty to decide for itself under which department the primary operating expense accounts shall be carried, and should decide upon the basis of division of expenses among the various departments. If the expenses are carried under the lighting and power department, it will be necessary to show on the books of the railway department un-

der accounts Nos. 27, 43, 58, and 80, "Other Operations—Dr.," the proportions chargeable to the railway department under "Way and Structures," "Equipment," "Conducting Transportation," and "General and Miscellaneous." The amounts charged to the railway department should be handled in the books of the lighting and power department through such accounts as "Other Operations—Cr."

The Commission has not prescribed a classification of revenues and expenses for outside operations for electric railways.

One balance sheet is all that is necessary for the entire business described in this query.

CASE 37.

Query. To what account should be charged payments made to the Government, on the basis of a specific charge per passenger, for the privilege of operating cars over its bridge?

Answer. Charge to "Taxes."

CASE 38.

Query. What disposition should be made of custom labor or labor of employees in various departments on work entirely outside of railway operation, for which the railroad is reimbursed the wages of the employees, together with the profit on same and the general shop expenses? What disposition should be made of profits on new material sold to some outside concern from storeroom stock which has been handled in sales account?

Answer. Assuming that the amount involved in custom labor account is small, and that the expenses have been charged to operating accounts, items covering labor performed for outside parties, together with the percentage added for profit and general shop expenses, should be debited to "Accounts Receivable" and credited to the operating expense accounts originally charged.

The net revenue from the sales account should be handled as miscellaneous income.

CASE 39.

Query. To what account should be charged the cost of new structures and general improvements in a free private park and the maintenance expenses of such park?

Answer. The cost of new structures and improvements of a substantial character in a free private park should be charged to account No. 33, "Park and Resort Property," in the Classification of Expenditures for Road and Equipment of Electric Railways.

Maintenance expenses of such park should be charged to operating expense account No. 46, "Advertising."

CASE 40.

Query. Should the expense of sprinkling streets be charged to the same account as sanding and cleaning track?

Answer. The cost of sprinkling roadway and track, when not done directly in connection with construction or repairs of track or paving, should be charged to operating expense account No. 11, "Cleaning and Sanding Tracks." The cost of sprinkling rendered necessary by construction or repairs of track or paving should be charged to the proper construction or maintenance account.

CASE 41.

Query. A company, organized for purely local street railway business and having no electric lighting or gas department and no joint arrangement with any other company in the operation of cars, requests information as to the manner in which the accounts in various parts of the Classification of Operating Expenses, "Other Operations—Dr." and "Other Operations—Cr.," would enter into its records.

Answer. From the foregoing statement it is evident that the company in question will not require the accounts "Other Operations—Dr." and "Other Operations—Cr." It is not expected that a carrier will keep any accounts on its books for which it has no need.

CASE 42.

Query. The A and B Light and Traction Company operates gas, electric light, and street railway properties. The operating expenses of the three coordinate departments are kept entirely separate except the general expenses, consisting of clerical salaries, rent, taxes, and office supplies. Will it be satisfactory to the Commission for us to continue carrying expenses of this character in one account covering all departments, and so state the fact in our annual report?

Answer. Where a company operates both a railway department and a lighting department, the entire cost of producing power should be carried in the primary accounts either of the railway department or of the lighting department, and the amounts chargeable to the other department should be handled through the various accounts, "Other Operations—Dr." and "Other Operations—Cr." For example, if the cost of power is carried in the primary accounts of the railway department, the proportion of operating expenses chargeable to the lighting department should be credited to the various "Other Operations—Cr." accounts. In the case cited, the proportion of "General Expenses"

chargeable to the lighting department would appear as a credit under account No. 81, "Other Operations—Cr."

Taxes need not be subdivided between the railway and lighting departments. Taxes should be treated through the Income Account.

CASE 43.

Query. We are charging to account No. 56, "Power Purchased," the actual cost of electric current generated at our plant (gas, electric light, and street railway property) consumed by the railway department. Is this correct?

Answer.—The practice above outlined is not in accordance with the requirements of the Classification of Operating Expenses of Electric Railways. Account No. 56, "Power Purchased," is provided for expenditures for power purchased from other companies. (*See Case 42.*)

CASE 44.

Query. To what account should be credited the amount received from the sale of manure removed from stables?

Answer. To operating expense account No. 86, "Stable Expenses."

CASE 45.

Query. This company operates a sprinkling car for the purpose of sprinkling certain streets and highways on which our track is laid. The city in which this service is performed pays us, as its proportion of the cost of this service, from 15 to 20 cents per sprinkler car-mile run. Please advise to what accounts the corresponding debits and credits should be made.

Answer. The amount received from the city should be credited to revenue account No. 9, "Miscellaneous Transportation Revenue."

In case the service mentioned is performed primarily as a service for the benefit of the road, and the amount received from the city is only incidental, the expense of operating the sprinkling car should be charged to operating expense account No. 11, "Cleaning and Sanding Tracks," and the cost of maintenance and repairs to account No. 35, "Service Cars." If, however, the service rendered is primarily for revenue purposes, the operating expenses should be charged to the appropriate operating expense accounts, as in any other revenue movements. (*See Case 84.*)

CASE 46.

Query. Is there not a conflict between account No. 10, "Paving," and account No. 16, "Crossings, Fences, Cattle Guards, and Signs," in the Classification of Expenditures for Road and Equipment of

Electric Railways, so far as they refer to "labor and material on cross walks?"

Answer. There is no conflict between the accounts mentioned. Account No. 10 embraces the expense of labor and material used in cross walks constructed in connection with paving on streets along which the electric road extends; while account No. 16 covers street and road crossings at other points, where it may be necessary to construct entirely new crossings or to provide crossings of an improved character over those previously existing.

CASE 47.

Query. To what operating expense account should be charged the cost of labor and material used in connection with the repair of overhead contacts installed in the trolley wire, and of wires leading from the trolley to magnets, etc., which operate an electric track switch, a device for automatically doing the work of a switchman through the operation of the magnets?

Answer. The cost of material should be charged to account No. 6, "Special Work," and the cost of labor to account No. 8, "Roadway and Track Labor."

CASE 48.

Query. To what account should be charged amount paid for rent of land on which a "Y" or switch is located?

Answer. To account No. 19, "Other Miscellaneous Way Expenses," in the Classification of Operating Expenses of Electric Railways.

CASE 49.

Query. This company has an arrangement with telephone, telegraph, and electric lighting companies, whereby it pays an amount for the privilege of making attachments to their poles for carrying its wires, and collects from them another amount for attachments to its poles for carrying their cables and wires. To what accounts should the resulting debit and credit be made?

Answer. Charge amount paid to operating expense account No. 24, "Miscellaneous Electric Line Expenses," and credit amount received to revenue account No. 17, "Rents of Buildings and Other Property."

CASE 50.

Query. To what account should be charged the cost of material used in the construction of a retaining wall for the protection of banks

from high tides, it being understood that account No. 8, "Roadway and Track Labor," is intended to cover the cost of labor expended in such work?

Answer. Operating expense account No. 8, "Roadway and Track Labor," is intended to cover the cost of *labor* expended in "protecting banks by retaining walls, riprap, piling, dikes, or other means." The cost of *material* used in connection with work properly chargeable to operating expenses should be charged to account No. 10, "Miscellaneous Roadway and Track Expenses."

Expenditures of the above nature arising in connection with the construction of a new road should be charged to account No. 4, "Grading," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 51.

Query. To what account should be charged rent of land used for storage of track material, part of which is for use in repairs of track, but most of which is for use in the construction of new track?

Answer. Unless the amount paid for rent of land used for the storage of track material is a large item, such as several hundred dollars per annum, it should be charged to operating expense account No. 85, "Store Expenses." In case the amount paid is a considerable item, there is no objection to including an appropriate proportion in the construction accounts. Owing to the fact that it would be impracticable to divide this rental charge among the various construction material accounts, the amount should be charged to account No. 44, "Miscellaneous," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 52.

Query. Has the Interstate Commerce Commission prescribed any account for depreciation of way and structures or equipment?

Answer. The Interstate Commerce Commission does not require any electric railway company to keep account No. 26, "Depreciation of Way and Structures," and account No. 42, "Depreciation of Equipment," unless these accounts are prescribed by the Railway Commission of any State in which such company operates mileage.

CASE 53.

Query. Is it proper to charge to account No. 41, "Interest," in the Classification of Expenditures for Road and Equipment of Electric Railways, interest paid on loans made for construction purposes by an

operating electric railway company, said interest accruing on money used in building new tracks and for additional power-plant equipment and other construction purposes?

Answer. Interest which is paid or which accrues during construction should be charged to account No. 41, "Interest." Interest which accrues after the completion of the work is not chargeable to this account.

CASE 54.

Query. Should revenue account No. 15, "Rents of Tracks and Terminals," be credited with all compensation received for the use of tracks and electric lines, including services performed in connection with the dispatching and general supervision of the electric cars of one company using the tracks of another company?

Answer. All compensation of this nature should be credited to revenue account No. 15, "Rents of Tracks and Terminals." No provision is made in the electric classifications for joint facilities accounts.

CASE 55.

Query. This company owns a nine-story building. One-third of the ground floor is used for tracks for cars running into and out of the building, waiting room, ticket office, etc., and the balance is rented for store purposes, concessions, etc. The general offices occupy about one floor, and the remaining floors are rented for office purposes. Should rents received from tenants be credited to operating revenues or miscellaneous income?

Answer. Rents should be credited to revenue account No. 17, "Rents of Buildings and Other Property," if the expense of maintaining and operating the portions rented can not be separated from the expense of maintaining and operating the portion used by the railway company. In case the expense of maintaining and operating the portions rented can be separated from the expense of maintaining and operating the portion used by the railway company, the rents received should be included in Income and not in Operating Revenues, and the expense of maintaining and operating the rented portions should be charged against the rents received.

CASE 56.

Query. We are in doubt as to the proper account to be charged for trolley parts, namely, wheels, axles, washers, springs, harps, poles, bushings, etc., and carbon brushes, carbons, headlight parts, etc.

Should these items be charged to accounts 32 to 37, inclusive, or to account No. 63, "Miscellaneous Car-Service Expenses?"

Answer. All such parts as pertain to maintenance of equipment are chargeable to operating expense account No. 32, "Passenger and Combination Cars;" account No. 33, "Freight, Express, and Mail Cars;" account No. 34, "Locomotives;" account No. 35, "Service Cars;" account No. 36, "Electric Equipment of Cars;" or account No. 37, "Electric Equipment of Locomotives." Account No. 63, "Miscellaneous Car-Service Expenses," includes only such items as do not pertain to maintenance of equipment. The following indicates the line of demarcation between the electric equipment of a car and a car: Electric equipment of a car includes the electric *motive* equipment and wiring; the term "car" includes the car body and trucks, electric bells and wiring, electric heaters and wiring, electric lighting and wiring, and air-brake equipment and wiring. Under this segregation carbons used in electric arc headlights are chargeable to account No. 63, "Miscellaneous Car-Service Expenses," and the other items named to accounts 32 to 37, inclusive.

CASE 57.

Query. Are Class B and Class C electric carriers required to keep the 44 accounts composing the Classification of Expenditures for Road and Equipment of Electric Railways, and the 19 accounts composing the Classification of Operating Revenues of Electric Railways, the same as Class A carriers?

Answer. All electric carriers subject to the jurisdiction of the Interstate Commerce Commission are required to keep their road and equipment and revenue accounts in the same manner, no condensed classification of road and equipment accounts or of revenue accounts being provided for Class B or Class C carriers.

CASE 58.

Query. What is meant by the term "Car Hours" as used in the mileage, traffic, and miscellaneous statistics of the Annual Report, particularly with reference to "Passenger Car Hours?"

Answer. "Passenger Car Hours" include not only the actual time while in revenue service, but also the time consumed in running from carhouses to points where regular service is begun, time lost between trips, and time lost on account of delays caused by blockades, parades, etc. It includes the entire time during which the cars are in charge of the motormen and conductors.

CASE 59.

Query. Is it permissible to apportion store and stable expenses among the water, light, and railway departments in proportion to the services rendered by the storeroom and the stables?

Answer. The proportion of store and stable expenses chargeable to the water and light departments should be handled through account No. 81, "Other Operations—Cr.," it being the intention that the "Other Operations" accounts should apply in connection with all General and Miscellaneous accounts.

Carriers are at liberty to distribute store and stable expenses of the railway department to the various operating expense accounts affected, but for the purpose of the annual reports, the amounts distributed should be reported under account No. 85, "Store Expenses," and No. 86, "Stable Expenses," and such amounts eliminated from the accounts to which they were originally distributed.

In this connection attention is called to the fact that no portion of store expenses or stable expenses which is properly chargeable to road and equipment, should be included in accounts Nos. 85 and 86, as these accounts are intended to cover only operating expenses. (*See Case 10.*)

CASE 60.

Query. A company is required by its franchise to widen one of the streets upon which it operates, and pay all expenses of excavating, moving back and resetting curbs, constructing new catch-basins with sewer connections, adjusting all sidewalks and cross walks disturbed, readjusting all pole lines, hydrants, etc., owned by other corporations, and laying a new asphalt pavement between brick-paved railroad strip and the curbs. Would it be proper to consider this as an incidental cost of the road itself and chargeable to account No. 2, "Right of Way," or should the cost be charged to account No. 44, "Miscellaneous?"

Answer. The cost should be charged to account No. 2, "Right of Way," except cost of paving which should be charged to account No. 10, "Paving." (*See Case 116.*)

CASE 61.

Query. Is it intended that account No. 25, "Buildings and Structures," shall be used solely for repairs of owned buildings, or may the cost of repairs to rented buildings be included?

Answer. Account No. 25, "Buildings and Structures," is intended to include cost of repairs of owned buildings or buildings held under

long-term leases. The cost of repairs of buildings rented from month to month is not to be included in this account, but should be charged to the account to which the rent is charged.

CASE 62.

Query. Should repairs to rented passenger waiting rooms where tickets are sold be charged to account No. 65, "Station Expenses?"

Answer. Yes.

CASE 63.

Query. Should repairs to general offices that are rented be charged to account No. 25, "Buildings and Structures," or to account No. 75, "General Office Supplies and Expenses?"

Answer. Charge to account No. 75, "General Office Supplies and Expenses." (See Case 61.)

CASE 64.

Query. We have a contract with another carrier under which the other carrier provides cars and maintains them for the purpose of furnishing through service. Regular fares are collected to and from junction point by the other carrier. While these cars are on our tracks we pay all expenses of operation and retain all fares collected for transportation between points on such tracks, but pay to the other company a certain part of the fares collected from passengers traveling from or to points beyond the junction. How shall we charge amounts paid under this contract?

Answer. Charge to account No. 88, "Rent of Equipment."

CASE 65.

Query. In account No. 19, "Poles and Fixtures," in the Classification of Expenditures for Road and Equipment of Electric Railways is the statement, "To this account should be charged the cost of * * *, brackets and other pole fixtures, * * *, also structures for supporting the overhead electric construction." In account No. 22, "Distribution System," in the same classification is the statement, "To this account should be charged cost of material used and labor expended in constructing distribution system, including * * *, overhead trolley lines, including cost of trolley, guard, span, strain, supplementary, and other wires." Since brackets used for supporting trolley wires are analogous to span wires, should not the cost of such brackets be charged to account No. 22, "Distribution System?"

Answer. Brackets used for supporting trolley wires are distinctly pole fixtures and should be charged to account No. 19, "Poles and Fixtures."

Possibly there has been some misunderstanding as to the meaning of "structures for supporting the overhead electric construction" in account No. 19. This is intended to cover such structures as steel catenary bridges which are used by some railways to carry the double-track overhead lines and which have two side towers and a connecting truss built of light angles and channels.

CASE 66.

Query. Our master mechanic asks that we define the term "electric locomotive" as used in the Classification of Operating Expenses of Electric Railways, his desire being to know whether the build of the machine or the use to which it is put governs. We have a machine with standard express car body but with low speed, high-power motor equipment, which is used in handling ballast cars, flat cars, etc., in maintenance work, and sometimes in hauling such freight as lumber, wood, etc., in car lots.

Answer. In defining the term "electric locomotive" the build of the machine, rather than the use to which it is put, should govern. If it is so arranged that it can carry freight or passengers within itself, it should be considered a car.

This distinction seems necessary as it frequently happens that regular passenger cars, freight cars, or work cars are used to haul other cars and to treat them as locomotives, when so used, would undoubtedly lead to confusion.

CASE 67.

Query. To what account in the Classification of Expenditures for Road and Equipment of Electric Railways should be charged the cost of electric headlights for passenger cars?

Answer. Account No. 35, "Cars."

Account No. 37, "Electric Equipment of Cars," is intended to include only the electric *motive* equipment. (See Case 9.)

CASE 68.

Query. We have granted to other electric companies the privilege of attaching their wires to our poles. To what account should we credit revenue from this source?

Answer. To account No. 17, "Rents of Buildings and Other Property." (See Case 49.)

CASE 69.

Query. The Classification of Operating Revenues of Electric Railways provides in account No. 1, "Passenger Revenue," under the caption "Revenue from Transportation,"—"This account should be charged with amounts paid for * * * tickets redeemed." In Note B it is provided that all tickets may be credited to an open account and this account charged when tickets are collected. In case tickets are redeemed, should they not be charged to the open account to which the sale has been credited?

Answer. If advantage is taken of the privilege of crediting the sale of tickets to an open account, that account should also be charged with amounts paid for tickets redeemed.

CASE 70.

Query. Note B under revenue account No. 1, "Passenger Revenue," states that the proceeds from the sale of mileage books are to be carried to that account as they are honored for transportation. We have always handled the sale of these tickets by crediting directly to revenue, the same as we would round-trip tickets. Is it required that inter-urban companies reporting to the Commission shall follow the directions in account No. 1?

Answer. It is not permissible to credit revenue account No. 1, "Passenger Revenue," with receipts from mileage books at the time of sale. It will be necessary to credit receipts from mileage books to an open account at the time of sale and to charge such account and credit "Passenger Revenue" as the mileage is honored, in accordance with Note B.

CASE 71.

Query. When a railway company conducts a general lighting business, should the net earnings of the lighting department be included in the revenue statement under account No. 19, "Miscellaneous?"

Answer. Net earnings of the lighting department should not be included in Operating Revenues but should be included in the Income Account as "Other Miscellaneous Income."

CASE 72.

Query. To what account should be charged subscriptions to funds raised for the purpose of entertaining conventions visiting our city?

Answer. A subscription to a fund for the purpose of entertaining a convention should be considered as a donation for traffic purposes, and, therefore, should be charged to account No. 46, "Advertising."

CASE 73.

Query. Should the cost of tools used in maintenance of way and structures, including those used in the repairs and renewals of bridges and buildings, interlocking systems, transmission and distribution systems, and the cost of crucibles, etc., used in connection with a thermit welding machine, be charged to account No. 10, except as provided in accounts Nos. 11 and 12?

Answer. Account No. 10, "Miscellaneous Roadway and Track Expenses," includes only the "cost of roadway tools when chargeable to expenses, and cost of all material used and labor expended in repairing and renewing tools, implements, flags, lanterns, etc., used in repairing roadway and track." This would include crucibles, etc., used in connection with thermit welding machine. The cost of renewing and repairing tools should be charged to account No. 15, "Bridges, Trestles, and Culverts," if the tools are used in the maintenance of bridges; to account No. 17, "Signal and Interlocking Systems," if used in the maintenance of interlocking systems; to account No. 24, "Miscellaneous Electric Line Expenses," if used in the maintenance of transmission and distribution systems; and to account No. 25, "Buildings and Structures," if used in the maintenance of buildings.

It is not necessary to apportion among a number of accounts the cost of maintenance of tools used for general purposes.

CASE 74.

Query. A conductor on one of our cars, in discharge of his duty, ejected an unruly passenger who refused to pay fare. In doing so the conductor was injured to such an extent that he was unable to attend to his duties for some time. It has been decided to pay the conductor for all of the time lost. Is this a proper charge to account No. 82, "Injuries and Damages?"

Answer. The payment should be charged to account No. 82, "Injuries and Damages." (See Cases 16 and 150.)

CASE 75.

Query. Please advise if premiums paid to guaranty companies for bonds furnished municipalities in accordance with franchises granted for the privilege of constructing and operating railroads on the streets should be charged to account No. 83, "Insurance," in the Classification of Operating Expenses of Electric Railways. The bonds referred to are given for the faithful performance of all the terms of the fran-

chise, including the construction of the line, the payment of a percentage of the gross receipts, and in some instances the maintenance and operation. The bonds are continuous and run during the life of the franchise.

Answer. Such payments should be charged to account No. 44, "Miscellaneous," in the Classification of Expenditures for Road and Equipment of Electric Railways, when the payments are incurred in connection with construction work; and to account No. 79, "Miscellaneous General Expenses," in the Classification of Operating Expenses of Electric Railways, when the payments are incurred in connection with operation.

CASE 76.

Query. In the text of the Classification of Operating Expenses of Electric Railways no specific mention is made of the expenses of maintenance of dams, reservoirs, canals, and pipe lines feeding hydraulic generating plants. What disposition is to be made of this class of expenses?

Answer. The text of account No. 30, "Power-Plant Equipment," reads, "cost of material used and labor expended in repairing and renewing steam, water power, gas engine, or electric-plant equipment." In the absence of specific directions, it has been decided that the cost of maintaining dams, reservoirs, canals, and pipe lines feeding hydraulic generating plants should be charged to this account.

CASE 77.

Query. This company uses large numbers of portable iron signs, which are hooked on the front of the cars to indicate their destination. They are in nowise permanent fixtures of the cars, but are used on different cars as occasion requires. On some of our new cars we have adjustable signs which consist of rolls with various destinations painted thereon and are attached to the cars themselves. To which accounts should the cost of these signs be charged?

Answer. The portable signs should be charged to account No. 63, "Miscellaneous Car-Service Expenses," and the adjustable signs attached to the cars to account No. 32, "Passenger and Combination Cars."

CASE 78.

Query. To what account should be charged the cost of removing water resulting from the melting of snow on city streets?

Answer. To account No. 12, "Removal of Snow, Ice, and Sand."
(See Case 87.)

CASE 79.

Query. Should the wages of engineers and other employees engaged in operating power stations and substations be charged to repair accounts when engaged in making minor repairs during their regular hours?

Answer. It is not intended that any portion of the wages of engineers and other employees engaged in station operation should be charged to repair accounts when they are engaged incidentally during their regular shifts in making minor repairs.

As a general rule, it is not necessary to distribute the wages of a regular employee to the several accounts affected if part of his time is devoted only incidentally to repair work. If, however, he is required to devote a considerable part of his time to such repairs, his wages should be apportioned to the proper accounts in accordance with the work performed.

CASE 80.

Query. To what account should be charged the cost of printing tariffs, and the cost of printing orders for conductors and motormen in connection with transportation rules, regulations, etc.?

Answer. To account No. 84, "Stationery and Printing."

CASE 81.

Query. Much of our track is located on streets with macadam surface. Should the cost of repairing the macadam be charged to "Paving" or to "Miscellaneous Roadway and Track Expenses?"

Answer. To account No. 9, "Paving."

CASE 82.

Query. We have a track that is "plain back filled," that is, filled with crushed stone to the top of the rails. Should the cost of this filling be charged to account No. 2, "Ballast," or account No. 10, "Miscellaneous Roadway and Track Expenses?" Strictly speaking, it is not ballast, although it would be hard to separate it from ballast in many instances.

Answer. The cost of filling track with crushed stone to the top of the rails should be charged, when done in connection with maintenance, to account No. 2, "Ballast," and account No. 8, "Roadway and Track Labor."

CASE 83.

Query. Under our contract for carrying the mail we are required to transfer the mail at certain points from the cars to the post-office. To what account shall we charge the cost of this service?

Answer. Specific payments for this service should be charged to account No. 72, "Other Transportation Expenses."

CASE 84.

Query. Since commencing operation we have adopted the policy, in connection with our work-car service, of charging our several departments with the use of work cars at the rate of 65 cents per car hour. This has been done for the reason that we have had to do considerable hauling for the contractors who built the road. We have also charged each department in order that the department head would have it brought more forcibly to his attention that it was the desire of the management that the work cars be used as little as possible. This charge of 65 cents per hour has been credited—50 cents to "Purchased Power" and 15 cents to "Miscellaneous Revenue," which division is based upon an estimate of the amount of power used and the amount necessary to compensate the company for loss through wear and tear, etc. Is this correct?

Answer. No charge should be made against maintenance or other operating accounts for the use of work cars. In the case of cars used on construction work by the company itself, if charge is made against construction accounts it should be as near actual cost as possible, and credit should be given to revenue account No. 9, "Miscellaneous Transportation Revenue." When a charge is made against a contractor for use of equipment, credit should be given to account No. 9. Wages of conductors, motormen, and other employees engaged in this service should be charged to account No. 62, "Miscellaneous Car-Service Employees." (See Cases 33 and 45.)

CASE 85.

Query. Notes under operating expense accounts Nos. 3, 4, 5, and 6 provide that the cost of labor of unloading shall be charged to account No. 8. If this refers to the first handling of material from cars or boats to yards or docks, it will be difficult, if not impossible, to separate that portion properly chargeable to operating expenses from that chargeable to expenditures for road, as we will not be in a position when the material is received to tell which part of the material will be used in repairs and which part in construction. This labor has

always been considered as part of the cost of material. Should it not be so considered?

Answer. The notes under the accounts mentioned do not refer to the first handling of material from cars or boats to yards or docks but to the unloading at the points where the material is to be used. The cost of the first handling, to which you refer, is properly chargeable to the cost of the material.

CASE 86.

Query. Should the cost of labor and materials, such as special grubbing tools, liquid weed-killer, and sprinkling devices, used in clearing track of weeds, be charged to account No. 11, "Cleaning and Sanding Tracks?"

Answer. The material should be charged to account No. 10, "Miscellaneous Roadway and Track Expenses," and the labor to account No. 8, "Roadway and Track Labor."

CASE 87.

Query. May we charge the cost of removing flood water from tracks, including maintenance in connection with track drainage, to "Removal of Snow, Ice, and Sand?" If not, what account should be charged?

Answer. The cost of material used in removing flood water from track should be charged to account No. 10, "Miscellaneous Roadway and Track Expenses," and the labor to account No. 8, "Roadway and Track Labor," except as provided in Case 78.

CASE 88.

Query. Should the cost of placing and removing portable snow fences be charged to "Removal of Snow, Ice, and Sand" or to "Crossings, Fences, Cattle Guards, and Signs?"

Answer. To account No. 12, "Removal of Snow, Ice, and Sand."

CASE 89.

Query. To what account should be charged the cost of planks used in crossings of steam railroads in city streets?

Answer. If the planks are used in maintenance, the cost should be charged to account No. 16, "Crossings, Fences, Cattle Guards, and Signs," in the Classification of Operating Expenses of Electric Railways; if used in construction, to account No. 16, "Crossings, Fences, Cattle Guards, and Signs," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 90.

Query. To what account should be charged the cost of wooden plugs used for filling spike holes in ties?

Answer. To account No. 3, "Ties."

CASE 91.

Query. Should the wages of levermen on derailleurs at steam railroad crossings be charged to "Miscellaneous Car-Service Employees" or to "Operation of Signal and Interlocking Systems?"

Answer. Should be charged to account No. 68, "Operation of Signal and Interlocking Systems."

CASE 92.

Query. Should the wages of blacksmiths and helpers and cost of coal and other supplies for track shop be charged to "Shop Expenses" or to "Miscellaneous Roadway and Track Expenses?"

Answer. The expense of such labor should be charged to account No. 8, "Roadway and Track Labor," and supplies used solely in track maintenance should be charged to account No. 10, "Miscellaneous Roadway and Track Expenses."

CASE 93.

Query. To what account should be charged cost of removing car ashes from car to dump?

Answer. If removal is made by company employees, the cost should be charged to account No. 66, "Carhouse Employees;" otherwise, to account No. 63, "Miscellaneous Car-Service Expenses."

CASE 94.

Query. Please advise whether the salaries of accounting department clerks engaged in handling the accounts of the Maintenance of Way, Mechanical, and Stores departments should be charged to account No. 74, "Salaries and Expenses of General Office Clerks" or apportioned to account No. 1, "Superintendence of Way and Structures," account No. 29, "Superintendence of Equipment," and account No. 85, "Store Expenses."

Answer. Assuming that the clerks in question, although exclusively engaged in handling the accounts pertaining to separate departments, are employed in the general accounting office, their salaries should be charged to account No. 74, "Salaries and Expenses of General Office Clerks."

CASE 95.

Query. Should amounts paid to cities for licenses to operate cars within city limits, and payments based on percentage of gross receipts in accordance with the terms of franchises, be charged to Taxes or to the Income Account?

Answer. Payments to municipalities for privilege of operating cars (license tax) and payments of a percentage of operating revenues in accordance with terms of franchises (franchise tax) should both be charged to "Taxes" under "Deductions from Income." (See Cases 32 and 37.)

CASE 96.

Query. A ruling is desired as to the proper accounts to be charged with amounts paid for telephone service, such as for tolls, and for rent of private lines and operating systems. They appear to be in the nature of miscellaneous expenses chargeable to the department for whose benefit the expenses are incurred.

Answer. Rent of telephone lines used primarily for the operation of cars should be charged to account No. 69, "Operation of Telephone and Telegraph Systems." All other telephone expenses should be charged to account No. 79, "Miscellaneous General Expenses."

CASE 97.

Query. At different points on our line we have electric lights, some of which have been installed in accordance with our franchise agreements, others because of the necessity of providing lights for the safety of our passengers. To what account should the labor and material used in repairing and renewing such lights be charged?

Answer. The cost of repairing and renewing lights, either in accordance with franchise agreements or for the purpose of avoiding accidents, should be charged to account No. 72, "Other Transportation Expenses." In the case of lights installed at stations owned by a company, the cost of repairing and renewing wiring in connection with such lights should be charged to account No. 25, "Buildings and Structures," and the cost of renewing the lamps to account No. 65, "Station Expenses." If, however, the station is rented, the entire expense should be charged to account No. 65. If it is not practicable to separate the expense of renewing and repairing the wiring from that of renewing the lamps at stations owned by a company, the entire cost may be included in account No. 65.

CASE 98.

Query. Our franchise for the use of a county bridge carries an obligation to pay a proportion of the cost of bridge maintenance and operation. How shall we charge such payments?

Answer. The cost of maintaining a bridge used under long term lease or franchise should be treated the same as maintenance of property owned. With this understanding, the maintenance of the bridge in question should be charged to account No. 15, "Bridges, Trestles, and Culverts," and the cost of any paving done should be charged to account No. 9, "Paving." The wages of bridge tenders should be charged to account No. 62, "Miscellaneous Car-Service Employees."

CASE 99.

Query. What is the proper distribution of cost of patterns used in making castings? In some cases these patterns were made for cars being built and are carried in stock and used for making repair parts when necessary. In other cases the patterns are made entirely for casting repair parts. Is it proper to charge the cost of the patterns to the cost of the equipment, built in the first instance, and to the cost of repairing the equipment in the second instance, or should the patterns be treated as hand tools and machine tools?

Answer. The cost of patterns made expressly for the casting of repair parts should be included in the cost of repairing equipment. The cost of patterns originally made for cars constructed by a company should be included in the cost of the equipment.

CASE 100.

Query. Referring to accounts Nos. 7, "Rails, Rail Fastenings, and Joints," and 8, "Special Work," in the Classification of Expenditures for Road and Equipment of Electric Railways, kindly advise to which of these accounts should be charged the cost of guard rails placed around plain curves in main tracks where there are no frogs, switches, cross-overs, or other special work in connection therewith. Does account No. 8, "Special Work," include cost of any guard rails except those used in connection with railroad crossings, cross-overs, frogs, switches, turn-outs, or other parts of track made to order?

Answer. The cost of guard rails placed around plain curves in main tracks where there are no frogs, switches, cross-overs, or other special work in connection therewith should be charged to account No. 7, "Rails, Rail Fastenings, and Joints." Account No. 8, "Special Work,"

should include the cost of only such guard rails as are used in connection with railroad crossings, cross-overs, frogs, switches, turn-outs, and other portions of the track made to order. (*See Case 25.*)

CASE 101.

Query. We are required by city ordinance to cut and replace overhead wires when it is necessary to move any building across or along our streets. Is this a proper charge to operating expenses or to income?

Answer. Such expenses should be charged to account No. 24, "Miscellaneous Electric Line Expenses."

CASE 102.

Query. This company owns ferry slips at a wharf in connection with which we have considerable maintenance expenses. Should we charge to a subaccount under No. 19, "Other Miscellaneous Way Expenses," or to account No. 25, "Buildings and Structures?" At the end of the wharf are fuel oil tanks for the operation of our ferry. Should we charge maintenance expenses to account No. 19, "Other Miscellaneous Way Expenses," or to account No. 25, "Buildings and Structures?"

Answer. Expenses of maintenance of ferry slips and ferry fuel oil tanks should be charged to account No. 25, "Buildings and Structures."

CASE 103.

Query. Is it necessary for a carrier operating a ferry to separate its general and miscellaneous operating expenses between railway and ferry?

Answer. No.

CASE 104.

Query. To what account should be charged tools other than track tools, such as wheelbarrows, hose, level boards, paving hammers, hydrant wrenches and reducers, mattocks, hand axes, rail tongs, etc., purchased for construction work?

Answer. These tools should be charged to the construction work for use upon which they are issued, and if after the completion of the work the tools have any salvage value, it should be credited to the work to which the tools were originally charged, and charged to the work to which the tools are thereafter applied.

CASE 105.

Query. To what account should be charged the cost of track inlets for surface water and their sewer connections?

Answer. To account No. 10, "Paving," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 106.

Query. Kindly advise the proper distribution of the following named expenses:

(1) Cost of uniforms donated to conductors and motormen who have been in service for a certain number of years.

(2) Cost of uniforms and badges for inspectors and car starters whose time is chargeable to account No. 48.

(3) Trustees' commissions and fees for paying out bond interest on clipped coupons, and expenses, including registrars' fees, connected with same.

(4) Premium on fidelity bonds of employees.

(5) Fees for filing annual reports with the State.

(6) Cost of free entertainments given employees.

(7) Cost of general audit of company's books by an audit company.

Answer. The items described should be charged under the Classification of Operating Expenses of Electric Railways as follows:

(1) To account No. 63, "Miscellaneous Car-Service Expenses."

(2) To account No. 48, "Superintendence of Transportation."

(3) To account No. 79, "Miscellaneous General Expenses."

(4) To account No. 83, "Insurance."

(5), (6), (7) To account No. 79, "Miscellaneous General Expenses."

CASE 107.

Query. Is it intended that items properly chargeable to account No. 39, "Shop Expenses," in the Classification of Operating Expenses of Electric Railways, are to remain as charged or may they be distributed in the same manner as store expenses?

Answer. It is not intended that the items contained in account No. 39, "Shop Expenses" should be distributed to the various operating accounts benefited thereby. However, if any portion of shop expenses is properly chargeable to road and equipment, such portion should be deducted from account No. 39, "Shop Expenses," since that account should represent only the portion chargeable to operating expenses.

CASE 108.

Query. To what account should be credited the value of coupons from mileage books which for any reason remain unrepresented?

Answer. To account No. 1, "Passenger Revenue."

CASE 109.

Query. Is there any objection to the creation of a reserve fund to take care of settlements of loss and damage claims filed by shippers of freight? The intention is to make charges of an arbitrary amount so

as to take care of claims of this nature during the period within which the damage is done.

Answer. There is no objection to including in operating expenses each month a proportion of the total amount which it is estimated will be necessary to expend on account of loss and damage claims, provided that the charges are adjusted annually so far as practicable.

CASE 110.

Query. To what account should be charged the expense of moving the poles of another company which were located closer to our tracks than we deemed safe, and which we moved back to give proper clearance? When the line was originally constructed the location was presumably all right, but in the course of time, in consequence of operating larger cars and at an increased speed, the present management did not consider the clearance sufficient.

Answer. It is proper to charge the cost of this work to account No. 2, "Right of Way," in the Classification of Expenditures for Road and Equipment of Electric Railways, unless the amount involved is insignificant. In case it is decided to charge the cost to operating expenses, it should be charged to account No. 19, "Other Miscellaneous Way Expenses."

CASE 111.

Query. To what account should be charged the salaries of clerks employed in compiling data and making out reports to the Public Service Commission, State Board of Tax Commissioners, Department of Commerce and Labor, etc.? To what account should the salaries of engineers employed in compiling data in regard to way and structures for such reports be charged?

Answer. The salaries of clerks should be charged to account No. 74, "Salaries and Expenses of General Office Clerks." The salaries of engineers should be charged to account No. 1, "Superintendence of Way and Structures."

CASE 112.

Query. To what account should be charged amounts paid to the United States Government for the right to operate a line across a government reservation?

Answer. If the cars have a private right of way over the government reservation, the payments should be charged to operating expense account No. 19, "Other Miscellaneous Way Expenses." If the line runs in a highway which the Government allows other people to use, the payments should be charged to "Taxes." (See Cases 32 and 37.)

CASE 113.

Query. Frequently when streets upon which rails are laid are torn up for repairs it is necessary for passengers to change from cars on one side of the break in the street to cars on the other side, and men are stationed at the break to care for the cars, to assist the passengers if required, and to perform any other duties in connection therewith. The men employed for this work are not regular car-service employees. To what account should their wages be charged?

Answer. To account No. 62, "Miscellaneous Car-Service Employees."

CASE 114.

Query. To what account should be charged the cost of filling land?

Answer. The cost of filling land, in the ordinary acceptation of the term, should be added to the cost of the land.

CASE 115.

Query. To what account should be charged the cost of painting or stenciling numbers on poles for the purpose of identification and record?

Answer. The cost of first painting or stenciling numbers on poles should be charged to account No. 19, "Poles and Fixtures," in the Classification of Expenditures for Road and Equipment of Electric Railways. Renewals should be charged to account No. 20, "Poles and Fixtures," in the Classification of Operating Expenses of Electric Railways. It is not the intention that carriers should be required to charge insignificant amounts to construction accounts.

CASE 116.

Query. A town in granting a franchise for the construction of a new line on the streets, requires the railway company to set back the curbs and flags. The work is not necessary for the construction of the road itself, as there is plenty of room on the highway without setting back the curbs. To what account in the Classification of Expenditures for Road and Equipment of Electric Railways should such expenditures be charged?

Answer. Expenditures of this nature should be charged to account No. 2, "Right of Way." In case there is any paving to be done in connection with this work, the cost of such paving should be charged to account No. 10, "Paving," in the same classification. (See Case 60.)

CASE 117.

Query. To what accounts should the following items be charged?

(1) City assessment for street grade crossing our right of way, being our proportion for the right of way abutting street and extending back from the street.

(2) City assessment for new trunk sewer, being the amount charged us for our proportion based on right of way through the section served by the sewer.

(3) City assessment for new street pavement, being our proportion of paving inside and alongside our tracks on streets on which our track is laid, the streets not having been previously paved.

(4) Cost of installing new crossings when new streets are opened.

Answer. The items described should be charged under the Classification of Expenditures for Road and Equipment of Electric Railways as follows:

(1) To account No. 16, "Crossings, Fences, Cattle Guards, and Signs."

(2) To account No. 2, "Right of Way."

(3) To account No. 10, "Paving."

(4) To account No. 16, "Crossings, Fences, Cattle Guards, and Signs."

CASE 118.

Query. To what account should be charged the expense of an examination of titles of real property, and other questions affecting the validity of an issue of bonds?

Answer. To account No. 44, "Miscellaneous," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 119.

Query. To what account should be charged fees paid to an engineering corporation for supervising and managing the operation of an electric railway company?

Answer. To account No. 73, "Salaries and Expenses of General Officers," in the Classification of Operating Expenses of Electric Railways.

CASE 120.

Query. A State assesses railway corporations each year a certain amount graduated on basis of capital stock. To what account should the assessment be charged, or should it be treated as a deduction from Income, as provided for taxes?

Would this apply to a franchise assessment of a percentage of gross earnings, levied under city ordinance?

Would it apply to what is known as a license tax levied by a city, based on a certain fixed charge per car for the number of cars operated in the city?

Answer. State taxes assessed against railway corporations, the amount of which is graduated on a basis of capital stock, franchise taxes levied on operating revenues, and license taxes based on the number of cars operated in a city should be charged to "Taxes" in the Income Account.

CASE 121.

Query. By reason of the construction of a sewer in a street occupied by an electric railway's tracks, it becomes necessary to lay a temporary track around the break in the regular line in order to maintain regular running schedule and avoid compelling the passengers to make a change of cars at that point.

Should the cost of laying and removing the temporary track be charged to account No. 19, "Other Miscellaneous Way Expenses," or to account No. 63, "Miscellaneous Car-Service Expenses?"

Answer. The cost of temporary track made necessary by the removal of tracks for the purpose of laying a sewer should be charged to account No. 19, "Other Miscellaneous Way Expenses."

CASE 122.

Query. To what account should be charged the cost of "cattle passes," which are in the nature of undergrade crossings?

Answer. To account No. 16, "Crossings, Fences, Cattle Guards, and Signs," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 123.

Query. To what account should be charged the cost of putting in iron-pipe culverts for drainage purposes?

Answer. To account No. 15, "Bridges, Trestles, and Culverts," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 124.

Query. A blast, set off by a concern doing work for itself, so damaged our high-tension system as to cause a good many interruptions in the power and consequently our car service was somewhat delayed for several hours.

In addition to reimbursing us for the expense of restoring the high-tension system to its original condition, the concern has agreed to pay us a certain sum of money to reimburse us for the estimated loss of business suffered from the interruption of our service.

To what account shall we credit the amount paid to us for the estimated loss of business?

Answer. The amount may be credited to account No. 9, "Miscellaneous Transportation Revenue." Strictly speaking, this is not a transportation revenue, but as it is paid to replace what is conceded to be a transportation revenue, it may be so considered.

CASE 125.

Query. We are carrying in "Suspense" an amount paid to a trust company for certification of bonds. To what account should same be charged?

Answer. Payments to trustees for certification of bonds issued for construction purposes should be charged to account No. 44, "Miscellaneous," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 126.

Query. We are constructing a new power station which is to be operated by steam turbines. The water for the condensers in this station is to be obtained from a pool in a near-by river to be formed by a dam at or near the station. To what account should be charged the cost of the dam and the pipes conveying the water from the pool to the condensers?

Answer. The cost of the dam as well as the cost of the pipes used in conveying the water from the pool formed by the dam should be charged to account No. 30, "Power-Plant Equipment," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 127.

Query. The salary of superintendent of power is included in account No. 48, "Superintendence of Transportation," in the Classification of Operating Expenses of Electric Railways. We have always included the salary of superintendent of power in power-house expenses. In view of the fact that we operate in one state only, kindly advise if we would not be justified in continuing this practice?

Answer. Under the classifications issued by this Commission it would not be proper for you to eliminate the salary and office and traveling expenses of the superintendent of power from account No. 48, "Super-

intendence of Transportation" and include in some other account under Group I, "Power."

However, there would be no objection to carrying such expenses as a subaccount under account No. 48, and for your own convenience including such subaccount under Group I, "Power."

CASE 128.

Query. To what account should be charged fees paid to directors?

Answer. To account No. 79, "Miscellaneous General Expenses," in the Classification of Operating Expenses of Electric Railways.

CASE 129.

Query. To what account should be credited the proceeds of an annual tax voted to a carrier by the districts through which the carrier operates?

Answer. This should not be credited to operating revenues but should be handled through the Income Account.

CASE 130.

Query. To what account in the Classification of Expenditures for Road and Equipment of Electric Railways should be cleared "Rent and Operation of Equipment" (the operation of a rented locomotive, pile driver, etc., used in bridge and track work), "Miscellaneous General Expenses," and "Law Expenses?"

Answer. The account "Rent and Operation of Equipment" should be cleared to account No. 11, "Track Laying and Surfacing," and account No. 15, "Bridges, Trestles, and Culverts," unless a portion of the expense is directly chargeable to some other primary account in the Classification of Expenditures for Road and Equipment of Electric Railways. Assuming that the account "Miscellaneous General Expenses" covers expenditures properly chargeable to account No. 44, "Miscellaneous," this account as well as the account "Law Expenses" (see account No. 40), should be carried as primary accounts under General Account III—"General Expenditures."

CASE 131.

Query. To what account should be credited revenue from express traffic handled under a contract with an express company, the railway company owning the cars and charging the express company on a mileage basis?

Answer. To account No. 5, "Express Revenue," in the Classification of Operating Revenues of Electric Railways. The revenue re-

ceived covers compensation for the handling of express traffic exclusively and should be treated accordingly, regardless of the arrangement or basis upon which the compensation is fixed.

CASE 132.

Query. Would it be proper to charge to road and equipment account No. 8, "Special Work," the cost of labor and material used in running a wire from a substation to several of our sidings for the purpose of turning on electric switch lights at said sidings by means of a switch at the substation?

Answer. No. The cost should be charged to account No. 17, "Interlocking and Other Signal Apparatus," in the Classification of Expenditures for Road and Equipment of Electric Railways. However, it is not the intention that carriers should be required to capitalize insignificant amounts.

CASE 133.

Query. To what accounts should be charged the cost of maintenance and operation of machinery in air compressor stations, used for charging storage tanks for air brakes?

Answer. The cost of maintenance should be charged to account No. 38, "Shop Machinery and Tools," and the cost of operation to account No. 63, "Miscellaneous Car-Service Expenses."

CASE 134.

Query. To what accounts should be charged the cost of construction and maintenance of conduits and fixtures, built from a compressor station (located a block or so away from the main line) to a point alongside of the track, the conduits being used for conveying the compressed air to be used on cars on account of air brakes?

Answer. The cost of construction should be charged to account No. 32, "Shop Equipment," in the Classification of Expenditures for Road and Equipment of Electric Railways, and the cost of maintenance to account No. 38, "Shop Machinery and Tools," in the Classification of Operating Expenses of Electric Railways.

CASE 135.

Query. To what account should be credited interest earned on bank balances?

Answer. To "Interest on Deposits" in the Income Account.

CASE 136.

Query. In a certain system of side-bracket construction, the trolley is suspended by a short wire attached to the bracket. Is this piece of wire a part of the bracket and so chargeable to account No. 20, "Poles and Fixtures," or is it a span wire and so chargeable to account No. 23, "Distribution System?"

Answer. The wire is a part of the bracket and the cost of maintenance should be charged to account No. 20, "Poles and Fixtures," in the Classification of Operating Expenses of Electric Railways.

CASE 137.

Query. Should not account No. 5, "Ballast," in the Classification of Expenditures for Road and Equipment of Electric Railways, provide for a separate account to cover ballast produced as is provided in the Classification of Operating Expenses of Electric Railways?

Answer. If the entire cost of ballast produced is chargeable to road and equipment, it could be properly charged to account No. 5, "Ballast." If, however, the ballast produced is partly chargeable to road and equipment and partly to operating expenses, Note B, under account No. 2, "Ballast," in the Classification of Operating Expenses of Electric Railways, would apply.

CASE 138.

Query. Where track has been laid in an unimproved street under an ordinance which requires the carrier to pay its proportion of the paving when the city paves, should not this proportion be charged to account No. 10, "Paving," in the Classification of Expenditures for Road and Equipment of Electric Railways, even when the proportion is included in a special assessment and spread over a period of years?

Answer. Yes.

CASE 139.

Query. Should the cost of macadamizing a road or filling a dirt road up to the head of the rail be considered paving and charged to account No. 10, "Paving," in the Classification of Expenditures for Road and Equipment of Electric Railways, or should it be charged to account No. 11, "Track Laying and Surfacing," in the same classification?

Answer. The cost of macadamizing should be charged to account No. 10, "Paving," and the cost of filling the dirt road up to the head of the rail should be charged to account No. 5, "Ballast."

CASE 140.

Query. Would you charge to account No. 15, "Bridges, Trestles, and Culverts," in the Classification of Expenditures for Road and Equipment of Electric Railways, the cost of a trestle used to handle coal when the coal is handled in the carrier's own cars and over its own road, and the trestle is used to secure sufficient elevation to dump the coal into coal pockets?

Answer. If the coal pocket is primarily for power station or generating uses the cost of the trestle should be charged to account No. 24, "Power-Plant Buildings." If the coal pocket can not be considered a part of the power plant the cost of the trestle should be charged to account No. 28, "Stations, Waiting Rooms, and Miscellaneous Buildings." (See Case 144).

CASE 141.

Query. When rails are drilled at the mill for bonding and the cost is included in the price paid for the rails, should the entire cost be included in account No. 7, "Rails, Rail Fastenings, and Joints," in the Classification of Expenditures for Road and Equipment of Electric Railways?

Answer. Yes.

CASE 142.

Query. To what account should be charged the amount of conductors' remittances stolen from a safe provided by a carrier?

Answer. To account No. 79, "Miscellaneous General Expenses," in the Classification of Operating Expenses of Electric Railways.

CASE 143.

Query. When the general office is a part of the carhouse and occupies say, the second story, how should the cost of the general office be charged?

Answer. The cost should be charged to account No. 27, "Shops and Carhouses," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 144.

Query. Should the cost of a coal pocket be charged to account No. 24, "Power-Plant Buildings," in the Classification of Expenditures for Road and Equipment of Electric Railways, as a building used in power generation, or to account No. 27, "Shops and Carhouses" as a storehouse, or to account No. 28, "Stations, Waiting Rooms, and Miscellaneous Buildings" as a building not otherwise provided for?

CASE 136.

Query. In a certain system of side-bracket construction, the trolley is suspended by a short wire attached to the bracket. Is this piece of wire a part of the bracket and so chargeable to account No. 20, "Poles and Fixtures," or is it a span wire and so chargeable to account No. 23, "Distribution System?"

Answer. The wire is a part of the bracket and the cost of maintenance should be charged to account No. 20, "Poles and Fixtures," in the Classification of Operating Expenses of Electric Railways.

CASE 137.

Query. Should not account No. 5, "Ballast," in the Classification of Expenditures for Road and Equipment of Electric Railways, provide for a separate account to cover ballast produced as is provided in the Classification of Operating Expenses of Electric Railways?

Answer. If the entire cost of ballast produced is chargeable to road and equipment, it could be properly charged to account No. 5, "Ballast." If, however, the ballast produced is partly chargeable to road and equipment and partly to operating expenses, Note B, under account No. 2, "Ballast," in the Classification of Operating Expenses of Electric Railways, would apply.

CASE 138.

Query. Where track has been laid in an unimproved street under an ordinance which requires the carrier to pay its proportion of the paving when the city paves, should not this proportion be charged to account No. 10, "Paving," in the Classification of Expenditures for Road and Equipment of Electric Railways, even when the proportion is included in a special assessment and spread over a period of years?

Answer. Yes.

CASE 139.

Query. Should the cost of macadamizing a road or filling a dirt road up to the head of the rail be considered paving and charged to account No. 10, "Paving," in the Classification of Expenditures for Road and Equipment of Electric Railways, or should it be charged to account No. 11, "Track Laying and Surfacing," in the same classification?

Answer. The cost of macadamizing should be charged to account No. 10, "Paving," and the cost of filling the dirt road up to the head of the rail should be charged to account No. 5, "Ballast."

CASE 140.

Query. Would you charge to account No. 15, "Bridges, Trestles, and Culverts," in the Classification of Expenditures for Road and Equipment of Electric Railways, the cost of a trestle used to handle coal when the coal is handled in the carrier's own cars and over its own road, and the trestle is used to secure sufficient elevation to dump the coal into coal pockets?

Answer. If the coal pocket is primarily for power station or generating uses the cost of the trestle should be charged to account No. 24, "Power-Plant Buildings." If the coal pocket can not be considered a part of the power plant the cost of the trestle should be charged to account No. 28, "Stations, Waiting Rooms, and Miscellaneous Buildings." (See Case 144).

CASE 141.

Query. When rails are drilled at the mill for bonding and the cost is included in the price paid for the rails, should the entire cost be included in account No. 7, "Rails, Rail Fastenings, and Joints," in the Classification of Expenditures for Road and Equipment of Electric Railways?

Answer. Yes.

CASE 142.

Query. To what account should be charged the amount of conductors' remittances stolen from a safe provided by a carrier?

Answer. To account No. 79, "Miscellaneous General Expenses," in the Classification of Operating Expenses of Electric Railways.

CASE 143.

Query. When the general office is a part of the carhouse and occupies, say, the second story, how should the cost of the general office be charged?

Answer. The cost should be charged to account No. 27, "Shops and Carhouses," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 144.

Query. Should the cost of a coal pocket be charged to account No. 24, "Power-Plant Buildings," in the Classification of Expenditures for Road and Equipment of Electric Railways, as a building used in power generation, or to account No. 27, "Shops and Carhouses" as a storehouse, or to account No. 28, "Stations, Waiting Rooms, and Miscellaneous Buildings" as a building not otherwise provided for?

CASE 136.

Query. In a certain system of side-bracket construction, the trolley is suspended by a short wire attached to the bracket. Is this piece of wire a part of the bracket and so chargeable to account No. 20, "Poles and Fixtures," or is it a span wire and so chargeable to account No. 23, "Distribution System?"

Answer. The wire is a part of the bracket and the cost of maintenance should be charged to account No. 20, "Poles and Fixtures," in the Classification of Operating Expenses of Electric Railways.

CASE 137.

Query. Should not account No. 5, "Ballast," in the Classification of Expenditures for Road and Equipment of Electric Railways, provide for a separate account to cover ballast produced as is provided in the Classification of Operating Expenses of Electric Railways?

Answer. If the entire cost of ballast produced is chargeable to road and equipment, it could be properly charged to account No. 5, "Ballast." If, however, the ballast produced is partly chargeable to road and equipment and partly to operating expenses, Note B, under account No. 2, "Ballast," in the Classification of Operating Expenses of Electric Railways, would apply.

CASE 138.

Query. Where track has been laid in an unimproved street under an ordinance which requires the carrier to pay its proportion of the paving when the city paves, should not this proportion be charged to account No. 10, "Paving," in the Classification of Expenditures for Road and Equipment of Electric Railways, even when the proportion is included in a special assessment and spread over a period of years?

Answer. Yes.

CASE 139.

Query. Should the cost of macadamizing a road or filling a dirt road up to the head of the rail be considered paving and charged to account No. 10, "Paving," in the Classification of Expenditures for Road and Equipment of Electric Railways, or should it be charged to account No. 11, "Track Laying and Surfacing," in the same classification?

Answer. The cost of macadamizing should be charged to account No. 10, "Paving," and the cost of filling the dirt road up to the head of the rail should be charged to account No. 5, "Ballast."

CASE 140.

Query. Would you charge to account No. 15, "Bridges, Trestles, and Culverts," in the Classification of Expenditures for Road and Equipment of Electric Railways, the cost of a trestle used to handle coal when the coal is handled in the carrier's own cars and over its own road, and the trestle is used to secure sufficient elevation to dump the coal into coal pockets?

Answer. If the coal pocket is primarily for power station or generating uses the cost of the trestle should be charged to account No. 24, "Power-Plant Buildings." If the coal pocket can not be considered a part of the power plant the cost of the trestle should be charged to account No. 28, "Stations, Waiting Rooms, and Miscellaneous Buildings." (See Case 144).

CASE 141.

Query. When rails are drilled at the mill for bonding and the cost is included in the price paid for the rails, should the entire cost be included in account No. 7, "Rails, Rail Fastenings, and Joints," in the Classification of Expenditures for Road and Equipment of Electric Railways?

Answer. Yes.

CASE 142.

Query. To what account should be charged the amount of conductors' remittances stolen from a safe provided by a carrier?

Answer. To account No. 79, "Miscellaneous General Expenses," in the Classification of Operating Expenses of Electric Railways.

CASE 143.

Query. When the general office is a part of the carhouse and occupies, say, the second story, how should the cost of the general office be charged?

Answer. The cost should be charged to account No. 27, "Shops and Carhouses," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 144.

Query. Should the cost of a coal pocket be charged to account No. 24, "Power-Plant Buildings," in the Classification of Expenditures for Road and Equipment of Electric Railways, as a building used in power generation, or to account No. 27, "Shops and Carhouses" as a storehouse, or to account No. 28, "Stations, Waiting Rooms, and Miscellaneous Buildings" as a building not otherwise provided for?

Answer. If the coal pocket is primarily for power station or generating uses, its cost should be charged to account No. 24, "Power-Plant Buildings." If the coal pocket can not be considered a part of the power plant, the cost should be charged to account No. 28, "Stations, Waiting Rooms, and Miscellaneous Buildings." (See Case 140.)

CASE 145.

Query. To what account should be charged the cost of snow plows, such as nose plows, etc., attached to cars?

Answer. The cost of snow plows attached to cars should be charged, under the Classification of Expenditures for Road and Equipment of Electric Railways, to account No. 35, "Cars," account No. 36, "Locomotives," or account No. 38, "Other Rail Equipment," according to the class of equipment to which the attachments are made. The cost of repairing and renewing snow plows attached to cars should be charged, under the Classification of Operating Expenses of Electric Railways, to account No. 32, "Passenger and Combination Cars," account No. 33, "Freight, Express, and Mail Cars," account No. 34, "Locomotives," or account No. 35, "Service Cars," according to the class of equipment to which the plows are attached.

CASE 146.

Query. Must account No. 25, "Buildings and Structures," in the Classification of Operating Expenses of Electric Railways, be subdivided into the subaccounts (a) to (i), or is this a permissible subdivision?

Answer. This subdivision is permissible, not compulsory.

CASE 147.

Query. To what account should be charged the cost of terminal houses erected to contain the apparatus necessary in connection with the change from high tension overhead to underground line construction?

Answer. The cost of original installation should be charged to account No. 21, "Transmission System," in the Classification of Expenditures for Road and Equipment of Electric Railways. The cost of repairs should be charged to account No. 22, "Transmission System," in the Classification of Operating Expenses of Electric Railways.

CASE 148.

Query. When a substation attendant who has little or nothing to do, but must be on duty in case a circuit breaker goes out, also sells tickets,

handles express, etc., and generally acts as station agent, must his salary be apportioned, and if so, on what basis?

Answer. The salary of such an employee should be apportioned among the accounts affected. It is not intended, however, to be too strict in a matter of this kind, and if the circumstances are such that any account could, with propriety, stand the entire expense, there would be no objection to following such a course.

CASE 149.

Query. When headlights, markers, etc., are cared for and handled at the general office, say, a mile from the carhouse, and the man who does this work also handles baggage and express matter, and acts as janitor of the building, must his wages be apportioned, and, if so, on what basis?

Answer. The salary of such an employee should be apportioned among the accounts affected. It is not intended, however, to be too strict in a matter of this kind, and if the circumstances are such that any account could, with propriety, stand the entire expense, there would be no objection to following such a course.

CASE 150.

Query. A conductor on duty is stabbed by a drunken passenger without any fault or negligence whatever on the part of the carrier. He has been a faithful employee and it has been decided to pay him for the time lost during the resulting illness. Should the amount be charged to account No. 79, "Miscellaneous General Expenses," or to account No. 82, "Injuries and Damages?"

Answer. To account No. 82, "Injuries and Damages." (*See Cases 16 and 74.*)

CASE 151.

Query. A conductor is knocked from a crowded running board of an open car while the car is passing close to a pile of building material of the existence of which he is well aware. No negligence on the part of the company is shown or claimed. He has been a faithful employee and it has been decided to pay him for the time lost during the resulting illness. Should the amount be charged to account No. 79, "Miscellaneous General Expenses," or to account No. 82, "Injuries and Damages?"

Answer. To account No. 82, "Injuries and Damages."

CASE 152.

Query. To what account should be charged the cost of renewing a pavement taken up during construction work for the purpose of removing obstructions such as gas and sewer pipes? This paving is more or less removed from the paving described as the paving strip extending approximately two feet outside of the outside rail and between the rails, and is not maintained by the street railway company.

Answer. The cost of replacing a pavement taken up for the purpose of removing obstructions such as gas and sewer pipe, should be charged to account No. 10, "Paving," in the Classification of Expenditures for Road and Equipment of Electric Railways, whether or not such pavement is outside of the so-called paving strip maintained by the company in consequence of municipal requirements.

CASE 153.

Query. Is account No. 9, "Underground Construction," in the Classification of Expenditures for Road and Equipment of Electric Railways intended to include all labor in placing the material described, as well as the cost of material itself, including transportation?

Answer. Such labor should not be included in account No. 9, "Underground Construction," but should be charged to account No. 11, "Track Laying and Surfacing," in analogy with maintenance account No. 8, "Roadway and Track Labor."

CASE 154.

Query. Should the cost of hauling track material from the storeroom to the place where it enters into construction be regarded as a part of the labor cost covered by account No. 11, "Track Laying and Surfacing," in the Classification of Expenditures for Road and Equipment of Electric Railways?

Answer. Yes.

CASE 155.

Query. How should guard rails, walks, and railings along the tracks of elevated railways be classified?

Answer. Timber guard rails, foot walks, and railing along the tracks of elevated railways should be charged to road and equipment account No. 14, "Elevated Structures and Foundations." The reason that rails and ties are excluded from this account and put in separate accounts is, that they can be used on other roadbeds. The timber-work described, however, is peculiar to the elevated structure, and

should therefore be included in that account for the same reason that all parts of bridges and trestles, except rails, cross-ties, etc., are included in account No. 15, "Bridges, Trestles, and Culverts." in the same classification.

CASE 156.

Query. In connection with the crossing gates of a carrier there is used a cabin which contains the apparatus for operating the crossing gates. In some cases these are old cabins which were used by flagmen before the installation of crossing gates, and have simply been adapted to the new use of crossing gates; in other cases complete new cabins or towers are installed with crossing gates. Is it proper to include the cost of these cabins or towers in account No. 16, "Crossings, Fences, Cattle Guards, and Signs," in the Classification of Expenditures for Road and Equipment of Electric Railways?

Answer. Yes.

CASE 157.

Query. Should the cost of towers that contain the interlocking machinery be included in account No. 17, "Interlocking and Other Signal Apparatus," in the Classification of Expenditures for Road and Equipment of Electric Railways?

Answer. Yes.

CASE 158.

Query. This company is desirous of keeping a subaccount "Lighting System," under account No. 24, "Miscellaneous Electric Line Expenses," said account to contain the cost of maintaining the lighting system on both the elevated and the subway lines. It is the desire to show the cost of maintenance of the lighting system on both divisions in one account, which would not be possible if the cost of maintaining the lighting system of the subway were charged to account No. 13, "Tunnels," in the Classification of Operating Expenses of Electric Railways.

Answer. If the company is interested in having the cost of maintaining the lighting system included in a single item it may keep the proposed account as an apportionment account to be cleared monthly, but it would destroy the uniformity sought if the account were to be kept as a regular operating account and thus show expenses that in the case of other companies would not appear under account No. 13, "Tunnels."

CASE 159.

Query. To what account should be charged payments for rent of ground on which to place snow fences? To what account should be

charged the cost of building snow fences, as well as the expense of setting them up and removing them?

Answer. Rent of ground on which to place snow fences is chargeable to operating expense account No. 12, "Removal of Snow, Ice, and Sand."

The first installation of snow fences should be charged to road and equipment account No. 16, "Crossings, Fences, Cattle Guards, and Signs." After the first installation, the cost of building such fences, as well as the expense of setting them up and removing them, should be charged to operating expense account No. 12, "Removal of Snow, Ice, and Sand."

CASE 160.

Query. To what account should be charged expenses incidental to the trial of an ejected passenger who shot and killed one of our trainmen, and burial expenses of said trainman paid by this company?

Answer. The expenses incidental to the trial should be charged to account No. 76, "Law Expenses," and the burial expenses, if not paid from a relief association fund, should be charged to account No. 82, "Injuries and Damages."

CASE 161.

Query. To what account should be charged a ditch assessment for constructing a new ditch by which this company is partly benefited although the road has been in operation for some time?

Answer. Provision is made for the cost of ditching roadbed and ditches for waterways in account No. 4, "Grading," in the Classification of Expenditures for Road and Equipment of Electric Railways. If the ditch to which you refer is along the public highway and is not made use of in the operation of the railroad, the amount of the assessment should be charged to account No. 2, "Right of Way," in the same classification.

CASE 162.

Query. To what account should be charged the cost of sewer and drain tiles used for repairing right-of-way ditches?

Answer. To account No. 10, "Miscellaneous Roadway and Track Expenses." The cost of labor employed in making repairs, however, should be charged to account No. 8, "Roadway and Track Labor."

CASE 163.

Query. To what account should be charged the cost of pieces of glass for fronts of headlights on cars? Is this charge the same as for

globes and carbons, or is the glass considered as a repair rather than a supply?

Answer. Pieces of glass for fronts of headlights on cars should be charged under the Classification of Operating Expenses of Electric Railways to account No. 32, "Passenger and Combination Cars," account No. 33, "Freight, Express, and Mail Cars," account No. 34, "Locomotives," or account No. 35, "Service Cars," according to the class of equipment on which the glass is used. Globes and carbons used for headlights should be charged to account No. 63, "Miscellaneous Car-Service Expenses."

CASE 164.

Query. To what account should be charged the cost of trimming trees along tracks to prevent the trees from striking and scratching the sides of cars?

Answer. The cost of labor employed in trimming trees should be charged to account No. 8, "Roadway and Track Labor."

CASE 165.

Query. To what account should be charged the cost of sprinkling paved streets (other than pavement near tracks) in front of passenger and freight stations?

Answer. If the sprinkling in front of stations is performed by employees around the station, the labor should be charged to account No. 64, "Station Employees," and other expenses to account No. 65, "Station Expenses." If the service is performed by outside parties, the entire expense should be charged to account No. 65.

CASE 166.

Query. To what account should be charged the cost of hat checks furnished trainmen?

Answer. To account No. 63, "Miscellaneous Car-Service Expenses."

CASE 167.

Query. To what account should be charged the cost of tube cleaners and repair parts for cleaning scale from boiler tubes in boilers at power stations?

Answer. The cost of first installation of tube cleaners should be charged to account No. 30, "Power-Plant Equipment," in the Classification of Expenditures for Road and Equipment of Electric Railways. Replacements and repairs should be charged to account No. 30, "Power-Plant Equipment," in the Classification of Operating Expenses of Electric Railways.

CASE 168.

Query. To what account should be charged the cost of envelopes and bags used for filing canceled tickets turned in by conductors?

Answer. To account No. 84, "Stationery and Printing."

CASE 169.

Query. To what account should be charged the cost of fire extinguishers which are to be installed in passenger and freight cars, and in power stations?

Answer. The cost of first installation should be charged to account No. 35, "Cars," account No. 36, "Locomotives," or account No. 38, "Other Rail Equipment," in the Classification of Expenditures for Road and Equipment of Electric Railways, according to the class of equipment in which the fire extinguishers are installed. The cost of first installation in power stations should be charged to account No. 30, "Power-Plant Equipment," in the same classification. It is not intended, however, to require carriers to charge insignificant items to road and equipment accounts.

CASE 170.

Query. To what account should be charged the cost of renewing fire extinguishers used in passenger and freight cars and in power stations?

Answer. The cost of renewing fire extinguishers in cars should be charged to account No. 63, "Miscellaneous Car-Service Expenses," and in power plants to account No. 54, "Miscellaneous Power-Plant Supplies and Expenses."

CASE 171.

Query. To what account should be charged the cost of installing fire hose?

Answer. The cost of first installation of fire hose should be charged to the same account under road and equipment as the building in which the hose is installed. It is not intended, however, to require carriers to charge insignificant items to road and equipment accounts.

CASE 172.

Query. To what account should be charged the cost of renewing or replacing fire hose?

Answer. To account No. 25, "Buildings and Structures," in the Classification of Operating Expenses of Electric Railways.

CASE 173.

Query. To what account should be charged the expenses incurred on account of a remonstrance against constructing a new ditch along right of way?

Answer. To account No. 76, "Law Expenses."

CASE 174.

Query. To what account should be charged cost of printing milk checks for carrying milk?

Answer. To account No. 63, "Miscellaneous Car-Service Expenses."

CASE 175.

Query. To what account should be charged the cost of books purchased for a company's reference library, such as books on electric railway practice, engineering, electricity, etc.?

Answer. To account No. 79, "Miscellaneous General Expenses."

CASE 176.

Query. To what account should be charged subscriptions to electric railway periodicals?

Answer. To account No. 79, "Miscellaneous General Expenses."

CASE 177.

Query. To what account should be charged initiation fees and dues of the American Street and Interurban Railway Association?

Answer. To account No. 79, "Miscellaneous General Expenses."

CASE 178.

Query. To what account should be charged the cost of drayage at junction points when such drayage is absorbed by the carriers out of the through rate?

Answer. To account No. 7, "Freight Revenue," in the Classification of Operating Revenues of Electric Railways.

CASE 179.

Query. To what account should be charged the cost of signs on cars advertising special events?

Answer. Portable signs on cars for the purpose of attracting traffic may be charged to account No. 46, "Advertising;" if simply for the guidance of passengers they should be charged to account No. 63, "Miscellaneous Car-Service Expenses." (See Case 77.)

CASE 180.

Query. To what account should be charged amount paid by us to another traction company to cover the cost of repairing one of their cars which was damaged by one of ours?

Answer. Assuming that the damage to which you refer occurred at a crossing on account of a collision, the expense should be charged to account No. 82, "Injuries and Damages."

CASE 181.

Query. To what account should be charged the cost of incandescent lamps, wiring, fuse blocks, and fuses for the maintenance of switch lights at sidings?

Answer. The cost of lamps and fuses should be charged to account No. 68, "Operation of Signal and Interlocking Systems," and the cost of fuse blocks and wiring to account No. 17, "Signal and Interlocking Systems."

CASE 182.

Query. To what account should be charged the cost of labor covering maintenance of switch lights at sidings?

Answer. To account No. 17, "Signal and Interlocking Systems."

CASE 183.

Query. To what account should be charged the cost of installing scales and stoves in company's storerooms?

Answer. If the scales referred to are built in, their initial cost should be charged to account No. 27, "Shops and Carhouses," in the Classification of Expenditures for Road and Equipment of Electric Railways; if they are portable scales, their initial cost should be charged to account No. 32, "Shop Equipment," in the same classification.

The initial cost of installing stoves in company's storerooms should be charged to account No. 27, "Shops and Carhouses."

CASE 184.

Query. To what account should be charged the cost of services of an electric clock at a dispatcher's office for use in train service?

Answer. To account No. 48, "Superintendence of Transportation."

CASE 185.

Query. To what account should be charged the cost of a reseating machine, and repair parts, for grinding and cleaning caps for boiler tubes in power stations?

Answer. The cost of first installation of reseating machines for grinding and cleaning caps for boiler tubes in power stations should be charged to account No. 30, "Power-Plant Equipment," in the Classification of Expenditures for Road and Equipment of Electric Railways. Replacements and repairs should be charged to account No. 30, "Power-Plant Equipment," in the Classification of Operating Expenses of Electric Railways.

INDEX.

A.

	Case.
Account, "Buildings and Structures," scope of.....	61
clearing, store expenses, employment of	10
"Electric Equipment of Cars," scope of.....	9, 56, 67
"Paving," scope of.....	46
"Power Purchased," scope of.....	11, 43
"Relief Department Expenses," purpose of.....	16
Sales, net revenue from.....	38
"Special Work," explanation concerning.....	25, 100
Accounts, "Buildings and Structures" and "Distribution System," use of sub-accounts under	5, 146
"Coordinate Departments," use of.....	11
depreciation of way and structures and equipment, reference to.....	52
joint facilities, statement regarding.....	54
of carriers conducting railway, lighting, and power business, statement regarding balance sheet and.....	36
of carriers operating gas, electric light, and street-railway properties, statement regarding.....	42, 43
Other Operations, Dr. and Cr., use of.....	11, 36, 41, 42, 43, 59
prescribed by Commission, keeping of, by carriers.....	27
renumbering of, by carriers, for their own convenience.....	1
temporary or experimental, reference to.....	33
undistributed, definition of.....	35
undistributed, distributing and reporting of items covered by.....	10, 14, 18
unnecessary, reference to.....	41
Additions and betterments, expenses incurred in connection with material issued for.....	10
stock and bond issues for, incidental expenses connected with, including printing of certificates.....	15
treatment of expenditures for.....	26
Air-brake equipment and wiring, classification of.....	9, 56
compressor-station machinery, maintenance and operation of.....	133
governors and pumps on cars, motors for, repairs and renewals of.....	9
storage tanks at carhouses, maintenance and operation of.....	17
American Street and Interurban Railway Association dues.....	177
Annual reports, fees for filing.....	106
tax voted to carrier by district through which carrier operates.....	129
Ashes, car, removal of, from car to dump.....	93
Assessments based on capital stock, revenues, or cars operated	120
for construction and maintenance of paving.....	2
for ditches.....	161
for street grade crossing right of way, sewer and paving.....	117
Attachments to poles, amounts paid and received for privilege of making.....	49, 68
Audit, general, by an audit company.....	106
Axles—trolley parts.....	56

B.	Case.
Badges for inspectors and car starters.....	106
Bags for filing canceled tickets turned in.....	168
Balance sheet of carriers conducting a railway, lighting, and power business, scope of.....	36
sheets used in express and freight business, printing of.....	18
Ballast produced, how charged.....	137
Bank balances, interest on.....	135
Betterment purchases, apportionment of expenses of purchasing department on account of.....	34
Betterments, expenses incurred in issuing material for.....	10
stock and bond issues for, incidental expenses connected with, including printing of certificates.....	15
treatment of amounts expended for.....	26
Bills of lading, printing of.....	14
Blacksmith and helper at track shop, wages of.....	92
Boiler tube cleaners at power stations.....	167, 185
Boards of public works, etc., amounts paid to, for right to operate on and over highways.....	32
Bond issues, examination of titles of real property and other questions affecting validity of.....	118
issues for construction and additions and betterments, incidental expenses of, including printing of certificates.....	15
Bonds, amounts paid trustees, or trust companies, for certification of.....	125
employees' fidelity, premium on.....	106
for faithful performance of terms of franchise, premiums on.....	75
Books for reference library.....	175
mileage, proceeds of sale of, how charged and credited.....	70
mileage, value of unpresented coupons from.....	108
Brackets distinguished from span wires.....	65
Bridge, county, proportion of maintenance and operating costs of.....	98
Government, payments for privilege of operating over.....	37
Brushes, carbon—trolley parts.....	56
"Buildings and Structures" account, use of subaccounts under.....	5, 146
account, scope of.....	61
Buildings, engineers in charge of, salaries and expenses of.....	24
general office, etc., maintenance of and rent received for offices in.....	55
rented, repairs to.....	61
Burial expenses of trainman killed.....	160
Bushings—trolley parts.....	56
Business, reimbursement for loss of, on account of damage to high-tension system from blast set off by outside parties.....	124

C.

Cabins at crossing gates, cost of.....	156
Canals feeding hydraulic generating plants, maintenance of.....	76
Canceled tickets turned in, envelopes for filing.....	168
Capital stock, assessment based on.....	120
Car, amount paid to another company for damage to.....	180
ashes, removal of from car to dump.....	93
definition of.....	9, 56
heaters, electric, repairs and renewals of, including wiring.....	7, 9, 56
hours, definition of.....	58

	Case.
Car lighting and wiring, electric, classification of.....	9, 56
starters, uniforms and badges for.....	106
Carbon brushes—trolley parts.....	56
Carbons—trolley parts.....	56
Carhouse clerks who furnish motormen and conductors with tickets and supplies, receive conductors' remittances, etc., wages of.....	21
general offices in.....	143
lighting, power for.....	11, 33
Carhouses, amounts expended for lighting.....	11
compressed air storage tanks at, maintenance and operation of.....	17
operating, rent for land occupied by.....	13
Carriers conducting railway, lighting, and power business, statement regarding balance sheet and accounts of.....	36
operating ferry, expenses of.....	108
operating gas, electric light, and street railway properties, statement re- garding accounts of.....	42, 43
renumbering of accounts by, for their own convenience.....	1
Cars, construction, power for running.....	33
electric equipment of, definition of.....	9, 56, 67
equipped as pile drivers, steam shovels, concrete mixers, and stone crush- ers, maintenance of, including machinery.....	20
fire extinguishers in.....	169, 170
foreign, per diem on, and maintenance of.....	19
motors for air governors and pumps on, repairs and renewals of.....	9
passenger, electric headlights for.....	67
provided for through service.....	64
service.....	6, 20, 45
signs attached to.....	77, 179
signs on, advertising special events.....	179
sprinkling, maintenance and repairs of.....	45
steam and gasoline motor, repairs and operation of.....	6
supervision of, compensation received from other companies for.....	54
work, charges against department or contractor for use of.....	84
Cattle passes in nature of undergrade crossings.....	122
Certificates of stock issued for construction and additions and betterments, inci- dental expenses connected with, including printing of certificates.....	15
Certification of bonds, amounts paid trustees, or trust companies, for.....	125
Circuit-breaker attendant, at substation rendering miscellaneous services.....	148
Classification for outside operations of electric railways, reference to.....	8
of Expenditures for Road and Equipment, interpretation of Note B under account No. 1 of.....	24
of Expenditures for Road and Equipment, requirements as to use of.....	57
of Operating Expenses, extended, use of, by roads of Classes B and C.....	3
of Operating Expenses, scope of.....	34
Classifications, requirements as to keeping of accounts in accordance with.....	27
Cleaning boiler tubes at power stations, tube cleaners and repair parts for.....	167, 185
conduits under tracks and removing the dirt and trash.....	23
Clearing account, store expenses, employment of.....	19
track of weeds, labor, material, and tools used in.....	86
Clerks employed by carriers operating gas, electric light, and street railway prop- erties, salaries of.....	42
engaged in compiling data for and in making out reports to public officials, salaries of.....	111

	Case.
Clerks, express, wages of.....	4
in carhouses who furnish motormen and conductors with tickets and supplies, receive conductors' remittances, etc., wages of.....	21
of accounting department engaged in handling accounts of maintenance of way, mechanical, and stores departments.....	94
Clock at dispatcher's office, use of electric.....	184
Coal and other supplies for track blacksmith shop.....	92
pocket.....	144
trestle to.....	140
Commissions paid for sale of school and other tickets at stores along line.....	22
trustees'	106
Compressed air storage tanks at carhouses, maintenance and operation of.....	17
Concrete mixers, cars equipped and used as, maintenance of, including machinery.	20
Conductor injured in ejecting passenger, wages paid to.....	74
knocked from crowded running board, wages paid to.....	151
stabbed by drunken passenger, wages paid to.....	150
Conductors, printing orders for.....	80
uniforms donated to.....	106
Conductors' reports, printing and furnishing.....	23
remittances, stolen.....	142
Conduits from compressor station to track, construction and maintenance of.....	134
under tracks, cleaning of, and removal of dirt accumulation.....	28
Construction and betterment purchases, apportionment of expenses of purchas- ing department on account of	34
and betterments, expenses incurred in connection with issuance of material for.....	10
and maintenance of paving, assessments for.....	2
cars, power for running.....	33
department expenses chargeable to	31
interest on loans made for.....	29, 53
of conduits from compressor station to track.....	134
of new lines and buildings and installation of machinery in power plants, salaries and expenses of supervising engineers in charge of.	24
repair of tower wagons frequently used in, expenses of.....	30
shop and storeroom expenses chargeable to, treatment of.....	31
stock and bond issues for, incidental expenses connected with, including printing of certificates.....	15
underground, wages of employees engaged in.....	153
work, tools purchased for, other than track tools.....	104
Contacts, overhead, automatically operating track switch, employees and material used in repairs of.....	47
Contractor, charges against, for use of work cars.....	84
Contributions, voluntary, to employees or their families on account of sickness, etc.....	16
Coordinate departments, use of accounts relating to	11
Coupons, unrepresented, from mileage books, value of.....	108
Crossing gates, cabins and towers at.....	156
Crossings, assessments for street grade at.....	117
at new streets, installation of.....	117
steam railroad, plank used in.....	89
steam railroad, wages of levermen on derailleurs at.....	91

	Case.
Cross-overs, curves, and turn-outs, explanation of.....	25
ties, rails, rail fastenings and joints used in connection with.....	25
Cross walks, labor and material on.....	46
Crucibles, etc., used in connection with thermit welding machine.....	73
Crushed stone filling of track to top of rail.....	82
Culverts for drainage, iron-pipe.....	123
Curves, treatment of.....	25
Custom labor.....	31, 38
Cutting and replacing overhead wires when necessary to move buildings.....	101

D.

Dams, pipes conveying water from, to condensers.....	126
reservoirs, canals, and pipe lines feeding hydraulic generating plants, maintenance of.....	76
Delays in schedules, time lost on account of, how treated.....	58
Department expense chargeable to construction, and to other companies and per- sons, treatment of.....	31
Depreciation of way and structures and equipment accounts, reference to.....	52
Derailers, levermen on, wages of.....	91
Directors' fees.....	128
Dirt road, filling in, to head of rail.....	139
Discount, treatment of.....	29
Dispatching trains, compensation received from other companies for.....	54
"Distribution System" account, use of subaccounts under.....	5
Ditch along right of way, expense account of remonstrance against construction of.....	173
assessment for.....	161
right of way, sewer and drain tiles used for repairing.....	162
Donated uniforms to employees.....	106
Drain tiles used for repairing right-of-way ditch.....	162
Drainage, iron-pipe culverts for.....	123
Drayage absorbed at junction points.....	178
Drilling rails, cost of.....	141
Dues of American Street and Interurban Railway Association.....	177

E.

Earnings, net, of lighting department.....	71
Electric bells and wiring on cars, classification of.....	9, 56
car heaters, repairs and renewals of, including wiring.....	7, 9, 56
car lighting and wiring, classification of.....	9, 56
clock, at dispatchers' office, use of.....	184
construction, structures supporting overhead, defined.....	65
Electric equipment of cars, definition of.....	9, 56, 67
headlights for passenger cars.....	67
locomotive, definition of.....	66
railway periodicals, subscription for.....	176
track switch, repairs of contacts and wires, for operating.....	47
Elevated railways, timber guard rails, walks, and railings along track of.....	155
Employee at general office handling headlights, markers, baggage, express, etc., and who also acts as janitor, wages of.....	149
at substation rendering miscellaneous services, wages of.....	148

	Case.
Employees at stations when engaged in repair work, wages of	79
engaged in repairs of overhead contacts automatically operating track switch, wages of.....	47
engaged on underground construction, wages of.....	153
express, wages of.....	4
fidelity bonds, premium on.....	166
free entertainment given.....	166
injured, wages paid to.....	16, 74, 150, 151
stationed at breaks in streets during repairs.....	113
steam locomotive and steam and gasoline motor car, wages of.....	6
Engineering corporation, fees paid to, for supervising and managing operation ...	119
Engineers at stations when engaged in repair work, wages of	29
compiling data for reports to public officials, salaries of.....	111
supervising, in charge of construction of new line and buildings and installation of machinery in power plants, salaries and expenses of....	24
Entertainment, free, given employees	106
of conventions, subscription to funds for.....	72
Envelopes for filing canceled tickets turned in	168
Equipment, classification of expenditures for road and, interpretation of Note B under account No. 1, of	24
classification of expenditures for road and, requirements as to use of.	57
depreciation accounts, reference to.....	52
work, rent and operation of.....	130
Examination of titles of real property, etc., affecting validity of issue of bonds ..	118
Exchange, treatment of	29
Expense bills used in express and freight business, printing of	18
Expenses, account of remonstrance against construction of ditch	173
burial, of trainman killed by passenger.....	160
connected with widening streets.....	60, 116
department, chargeable to construction and to other companies and persons, treatment of.....	31
general, of carriers operating gas, electric light, and street railway properties.....	42
incidental to trial of ejected passenger who killed trainman.....	160
incurred in issuing material for construction and betterments.....	10
incurred in printing and issuing certificates of stock and bonds for construction and additions and betterments.....	15
of purchasing department on account of construction and betterment purchases, apportionment of.....	34
of repair and tower wagons engaged in construction work.....	30
of supervising engineers in charge of construction of new lines and buildings, and installation of machinery in power plants.....	24
operating, of carrier operating a ferry.....	103
operating, scope of classification of.....	34
requirements as to keeping of accounts for.....	27
shop, treatment of.....	107
stable, apportionment of, among water, light, and railway departments.....	59
stable, reporting of.....	59
store, apportionment of, among water, light, and railway departments.	59
store, reporting of, and employment of clearing account for.....	10
Experimental accounts, reference to	33

	Case.
Express clerks, wages of.....	4
handled under contract with express company, revenue from.....	131
Extended classification, use of, by roads of Classes B and C.....	8
Extinguishers, fire, in cars and stations.....	169, 170

F.

Fees for filing annual reports with the State.....	106
initiation, of American Street and Interurban Railway Association.....	177
paid directors.....	128
to engineering corporation for supervising and managing operation.....	119
trustees' and registrars'.....	106
Fences, snow, cost of placing and removing portable.....	88, 159
Ferry, expenses of carrier operating.....	108
slips and fuel oil tanks, maintenance of.....	102
Fidelity bonds, employees', premium on.....	106
Filling in land.....	114
in road to head of rail.....	139
in track, crushed stone for.....	82
Fire extinguishers in cars and stations.....	169, 170
hose, installing, etc.....	171
First handling of material.....	85
Fixtures of conduits from compressor stations to track.....	134
Foreign cars, per diem on, and maintenance of.....	19
Franchise, gross-receipts percentage payments for.....	95, 120
Free entertainment given employees.....	106
Fuel oil tanks, ferry, maintenance of.....	102
steam locomotive and steam and gasoline motor car.....	6
Funds for entertainment of conventions, subscription to.....	72
reserve, for loss and damage settlements.....	109
Fuse blocks and fuses for switch lights.....	181

G.

Gasoline motor cars, repairs and operation of.....	6
General audit by audit company.....	106
expenses of carriers operating gas, electric light, and street railway proper-	
ties.....	42
improvements in free private park.....	39
office buildings, maintenance of, and rent received for offices in.....	55
office employee handling headlights, markers, baggage, express, etc.,	
and who also acts as janitor, wages of.....	149
offices in carhouse, cost of.....	143
offices rented, repairs to.....	63
supervision of cars for other companies, amounts received for.....	54
Glass for front of headlights.....	163
Government bridge, payments for privilege of operating cars over.....	37
reservation, amount paid for right to operate across.....	112
Grade, crossing right of way, assessments for.....	117
Gross earnings, assessments based on.....	120
receipts percentage payments for franchise.....	95
Ground for snow fences, rent of.....	159
Grubbing tools.....	86
Guard rails at plain curves where there are no cross-overs.....	100
rails, timber, along track of elevated railways.....	155

H.	Case.
Hat checks furnished trainmen.....	166
Hauling track material from storehouse.....	154
Headlight parts, trolley.....	56
Headlights, electric, for passenger cars.....	67
glass for front of.....	163
Heaters, electric car, repairs and renewals of, including wiring.....	7, 9, 56
High-tension lines, rent paid for pole-line right of way of.....	32
system, reimbursement for loss of business account of damage to...	124
Highway sprinkling, amounts received for.....	45
Highways, right to operate over and across, amounts paid for.....	32
Hose, fire, cost of installing, etc.....	171, 172
Houses, terminal, containing apparatus for change of connection.....	147
Hydraulic generating plants, maintenance of dams, reservoirs, canals, and pipe lines feeding.....	76
I.	
Improvements in free private park, cost of.....	39
Incandescent lamps for switch lights.....	181
Initiation fees of American Street and Interurban Railway Association.....	177
Injured employees, wages paid to.....	16
Inlets, track, for surface water, and their sewer connections.....	105
Inspectors, uniforms and badges for.....	106
Interest on bank balances.....	125
on loans made for construction.....	53
treatment of.....	29
Interlocking towers.....	157
Iron-pipe culverts for drainage.....	123
J.	
Joint facilities accounts, statement regarding.....	54
compensation received for.....	54
Joints used in connection with cross-overs, curves, and turn-outs.....	25
L.	
Labor and material on cross walks.....	46
and material used in clearing track of weeds.....	86
and material used in repairing and renewing certain electric lights.....	97
covering maintenance of switch lights at sidings.....	182
custom.....	31, 38
employed in trimming trees along track.....	164
employed in underground construction.....	153
expended in protecting banks.....	50
of first handling.....	85
Lamps, incandescent, for switch lights.....	181
station.....	97
Land, filling in.....	114
occupied by pole line, rent of.....	32
regular operating carhouses, rent of.....	13
"Y," rent of.....	48
used for storage of track material, rent of.....	51
Levermen on derailleurs at steam railroad crossings, wages of.....	91
Library, reference, books purchased for.....	175
License tax levied by municipalities.....	95, 120
to operate cars in cities, amounts paid for.....	95

	Case.
Lighting and wiring, electric car, classification of.....	9, 56
carhouses, power for.....	11, 33
department, apportionment of store and stable expenses to.....	59
department, monthly charges for power to.....	36
department, net earnings of.....	71
shops, carhouses, etc., amount expended for.....	11
system, maintenance of.....	158
Lights along line and at stations.....	97
switch.....	181, 182
Loans for construction, interest on.....	53
Locomotives, electric, definition of.....	66
steam, repairs and operation of.....	6
Loss and damage settlements, reserve fund for.....	109
of business account damage to high-tension system, reimbursement for.....	124
Lubricants, steam locomotive and steam and gasoline motor car.....	6

M.

Macadamized streets, repairing.....	81
Macadamizing road.....	129
Machinery in air-compressor stations, maintenance and operation of.....	133
in power plants, engineers in charge of installation of.....	24
on service cars, maintenance of.....	20
Magnets, etc., wires leading from trolley to, operating track switch.....	47
Mail from car to post-office, transferring.....	83
Maintenance and construction of paving, assessments for.....	2
and operation of compressed-air storage tanks at carhouses.....	17
of conduits, and fixtures, from compressor station to track.....	134
of dams, reservoirs, canals, and pipe lines feeding hydraulic generat- ing plants.....	76
of ferry slips and ferry fuel oil tanks.....	102
of foreign cars.....	19
of free private park.....	39
of general office, etc., buildings.....	55
of lighting system.....	158
of machinery in air-compressor stations.....	133
of service-car machinery.....	20
of service cars.....	20, 45
of underground conduit, cleaning and.....	28
of way and structures depreciation accounts, reference to.....	52
of way and structures, tools used in.....	73
Manure removed from stables, amount received from sale of.....	44
Material for construction and betterment, expense of issuing.....	10
new, profit on sale of.....	38
storage of, rent paid for land for.....	51
track, hauling from storehouse.....	154
used in clearing track of weeds.....	86
used in repairing and renewing certain electric lights.....	97
used in repairs of overhead contacts automatically operating track switch.....	47
used in retaining wall for protection of banks.....	50
used on cross walks.....	46
Mileage books, proceeds of sale of, how charged and credited.....	70
value of unrepresented coupons from, how credited.....	108
Milk checks, printing.....	174

	Case.
Motor cars, steam and gasoline, repairs and operation of.....	6
Motormen, printing orders for.....	80
uniforms donated to.....	106
Motors for air governors and pumps on cars, repairs and renewals of.....	9
shop, power for.....	33
Moving poles of another company to safe distance.....	110
Municipalities, amounts paid to, for right to operate over and across streets.....	32
amounts received from, for sprinkling streets and highways.....	45
license tax paid.....	95, 120

N.

Net earnings of lighting department.....	71
revenue, sales account.....	38
New lines, engineers in charge of, salaries and expenses of.....	24
material sold, profits on.....	38
structures and general improvements in free private park, cost of.....	39
Note B, under account No. 1, Classification of Expenditures for Road and Equip- ment, interpretation of.....	24
Numbers on poles, painting and stenciling.....	115

O.

Offices in general office, etc., buildings, rent received for.....	55
Ohmer Fare Registers, rent of.....	12
Oil tanks, ferry fuel, maintenance of.....	102
Operating Expenses, Classification of, scope of.....	34
of carrier operating a ferry.....	103
superfluous accounts for, reference to.....	41
temporary or experimental accounts for, reference to.....	33
use of extended classification of, by roads of Classes B and C..	3
Operating over bridge, payments for privilege of.....	37, 98
over highways and streets, privilege of.....	32, 96
revenues and expenses, keeping of accounts for.....	27
Operation, fees paid to engineering corporation for supervising and managing....	119
of compressed-air storage tanks at carhouses.....	17
of general office, etc., buildings.....	55
of machinery in air-compressor stations.....	133
of rented work equipment.....	130
of steam locomotive and steam and gasoline motor car.....	6
Other companies, amounts received for use of tracks by.....	54
amounts received for work performed for.....	31
specific payments to, for cost of lighting or operating shops....	11
Other "Operations" accounts, Dr. and Cr., use of.....	11, 36, 41, 42, 43, 59
Orders for conductors and motormen, printing.....	80
Outside operations of electric railways, reference to.....	8, 36
parties, work performed for.....	31, 38
Overhead contacts automatically operating track switch, employees and material used in repairs of.....	47
electric construction, structures for supporting, defined	65
wires, cutting and replacing, when necessary to move buildings.....	101

P.

Painting or stenciling numbers on poles.....	115
Park, new structures and general improvements in, and maintenance of.....	39

	Case.
Passenger, expenses incidental to trial of, for killing trainman.....	169
Passenger-car hours, definition of.....	58
Passenger cars, electric headlights for.....	67
waiting room, rented, repairs of.....	62
Passes, cattle, in nature of undergrade crossings.....	122
Patterns.....	99
Pavement other than that near track, sprinkling of.....	165
"Paving" account, scope of.....	46
Paving, assessments for maintenance and construction of.....	2, 117
replacement of, taken up to remove obstructions such as gas and sewer pipe.....	152
streets after widening same.....	60, 116
streets, proportion of cost of.....	138
Per diem on foreign cars.....	19
Pile driver, cars equipped and used as, maintenance of, including machinery.....	20
rent and operation of.....	130
Pipe, iron, culverts for drainage.....	123
lines feeding hydraulic generating plants, maintenance of.....	76
Pipes conveying water from pool to condensers.....	126
Plank used in crossings of steam railroads in city streets.....	89
Plows, snow.....	145
Plugs, wooden, for spike holes in ties.....	90
Pole-line right of way, rent paid for.....	32
Poles, amounts paid and received for privilege of making attachments to.....	49, 68
of another company, moving of, to safe distance.....	110
painting and stencilling numbers on.....	115
trolley parts.....	56
Power, division of cost of.....	36, 42, 43
furnished by company for shop motors, carhouse lighting, and running construction cars.....	33
salary of superintendent of.....	127
stations, fire extinguishers in.....	169, 170
stations, reseating machine and repair parts for grinding, etc., at.....	185
stations, tube cleaners and repair parts for cleaning scale from boiler tubes at.....	167
Power-plant machinery, engineers in charge of installation of.....	24
"Power Purchased" account, scope of.....	11, 43
Premium on fidelity bonds of employees.....	106
on bonds for faithful performance of terms of franchise.....	75
Prescribed accounts, keeping of, by carriers.....	27
Printing and furnishing reports made by conductors, and shortage notices.....	23
and stationery used by clerks whose salaries are charged to Superintend- ence of Way and Structures, Superintendence of Equipment, and Superintendence of Transportation.....	18
expense bills, balance sheets, and other stationery used in express and freight business.....	18
milk checks.....	174
orders for conductors and motormen.....	80
rate sheets, waybills, bills of lading, etc.....	14
securities issued for construction and additions and betterments.....	15
tariffs.....	80

	Case.
Private property, rent paid for right to operate over.....	32
telephone lines, rent paid for.....	96
Property, real, examination of title to, in relation to bond issue.....	118
Public highways, right to operate over, amounts paid for	32
Pumps on cars, motors for air governors and, repairs and renewals of.....	9
Purchasing department, apportionment of expenses of, on account of construction or betterment purchases.....	34
R.	
Rail fastenings used in connection with cross-overs, curves, and turn-outs.....	25
Railing along tracks of elevated railways.....	155
Railroad Commissions, State, use of depreciation accounts prescribed by.....	52
crossings in city streets, planks used in.....	89
crossings, wages of levermen on derailleurs at.....	91
Rails drilled at mill for bonding.....	141
guard, at plain curves where there are no cross-overs, etc.....	100
timber guard of elevated railways.....	155
used in connection with cross-overs, curves, and turn-outs.....	25
Railway department, apportionment of store and stable expenses to.....	59
monthly charges for power to.....	36
Rate sheets, printing of.....	14
Real property, examination of titles to, in relation to bond issue	118
Redeemed tickets, how charged.....	69
Reference library, books purchased for.....	175
Registers, Ohmer Fare, rent of.....	12
Registrars' fees.....	106
"Relief Department Expenses" account, purpose of.....	16
Removal of accumulation in conduit under tracks.....	28
of car ashes from car to dump.....	93
of flood water from track.....	87
of snow fences... ..	159
of water resulting from melting snow on city streets.....	78
Renewals, of electric car heater, including wiring.....	7, 9, 56
of fire extinguishers.....	170
of fire hose.....	172
of maintenance of way and structure tools.....	73
of motors for air governors and pumps.....	9
of paving, assessments for.....	2
of snow plows.....	145
Rent, paid for land occupied by regular operating carhouses.....	13
for land occupied by snow fences.....	159
for land occupied by "Y"	48
for land used for storage of track material.....	51
for pole-line right of way.....	32
for private telephone lines and operating systems.....	96
for right to operate over private property.....	32
for use of Ohmer Fare Registers.....	12
for work equipment.....	130
Rent received for offices in general office, etc., buildings.....	55
received for use of tracks and electric lines.....	54
treatment of.....	42

	Case.
Rented buildings, repairs of.....	61
general offices, repairs of.....	63
passenger waiting room, repairs of.....	62
Renumbering primary accounts by carriers for their own convenience.....	1
Repair parts for cleaning scale from boiler tubes at power stations.....	167
parts for grinding caps for boiler tubes at power stations.....	185
wagons, frequently used in construction, expenses of.....	30
Repairs and renewals, electric car heater, including wiring.....	7, 9, 56
and renewals of motors for air governors and pumps on cars.....	9
and renewals of snow plows.....	145
and renewals of station lights and lights along track.....	97
and renewals of tools used in maintenance of way and structures.....	73
of car of another company, amount paid to cover.....	180
of macadamized streets.....	81
of overhead contacts and wires automatically operating track switch.....	47
of paving, assessments for.....	2
of rented buildings.....	61
of rented general offices.....	63
of rented passenger waiting room.....	62
of right of way ditches, sewer and drain tiles used in.....	162
of sprinkling cars.....	45
of steam locomotives and steam and gasoline motor cars.....	6
of wires leading from trolley to magnets, etc., operating track switch.....	47
Replacing overhead wires cut in order to move buildings.....	101
Reports, State fees for filing.....	106
to commissions, etc., salaries of employees compiling data for and making out.....	111
Reseating machines and repair parts for grinding, etc., at power stations.....	135
Reservation, Government, amount paid for right to operate across.....	112
Reserve fund for loss and damage settlements.....	109
Reservoirs feeding hydraulic generating plants, maintenance of.....	76
Retaining wall for protection of banks, material used in.....	50
Revenue from express handled under contract with express company.....	131
net, sales account.....	38
Revenues and expenses, requirements as to keeping of accounts for.....	27
Right-of-way ditch, expenses account of remonstrance against construction of.....	173
ditches, sewer and drain tiles used in repairing.....	162
Right of way for pole line, rent paid for.....	32
over Government bridge, payments for.....	37
over private property, streets, and public highways, payments for...	32
Road and Equipment, Classification of Expenditures for, interpretation of Note B under account No. 1 of.....	24
Classification of Expenditures for, requirements as to use of.....	57
Road, filling, to head of rail.....	189
macadamizing.....	189
Roadway and track sprinkling.....	40

S.

Salaries of accounting department clerks engaged in handling accounts of maintenance of way, mechanical, and stores departments.....	94
clerks employed by carriers operating gas, electric light, and street railway properties, treatment of.....	42

	Case.
Tax, annual, voted to carrier by district through which carrier operates.....	129
Taxes, treatment of.....	29, 42, 95, 120
Telephone service, amounts paid in tolls and rent for.....	96
Temporary accounts, reference to.....	33
track around break on account of sewer construction.....	121
Terminal houses containing apparatus for change in connection.....	147
Terminals, rent for use of.....	54
Thermit welding machines, crucibles used with.....	73
Tickets, canceled, envelopes for filing.....	168
redeemed, how charged.....	69
sold at stores along line, wages and commissions paid for.....	22
Ties used in connection with cross-overs, curves, and turn-outs.....	25
Tiles, sewer and drain, used in repairing right-of-way ditches.....	162
Titles of real property, etc., examination of, in connection with bond issue.....	118
Tolls, telephone.....	96
Tools, other than track tools, purchased for construction work.....	104
used in clearing track of weeds.....	86
used in maintenance of way and structures.....	73
Tower wagons frequently used in connection with construction, expenses of.....	30
Towers at crossing gates.....	156
containing interlocking machinery.....	157
Track filling, with crushed stone, to top of rail.....	82
inlets for surface water and sewer connections.....	105
labor, material, and tools used in clearing weeds from.....	86
material, hauling of, from store-room.....	154
material, land used for storage of, rent of.....	51
removing flood water from.....	87
shop, wages of blacksmith and helper at and cost of supplies for.....	92
sprinkling.....	40
switch, cost of labor and material used in repairs of overhead contacts auto- matically operating.....	47
temporary, around break on account of sewer construction.....	121
Tracks, compensation received from other companies for use of.....	54
Trainman killed, burial expenses of.....	160
Trainmen, hat checks furnished.....	166
Transfer of mail from car to post-office.....	83
Trees along track, trimming.....	164
Trestle to coal pockets.....	140
Trial of ejected passenger who killed trainman, expenses incidental to.....	160
Trip sheets, printing and furnishing.....	23
Trolley parts—axles, bushings, carbon brushes, carbons, harps, headlight parts, poles, springs, washers, wheels, etc.....	56
Trucks, car, classification of.....	9, 56
Trustees' commissions, fees, and expenses for paying bond interest.....	106
Trustees, and trust companies, payments to, for certification of bonds.....	125
payments to, in connection with issuance of stocks and bonds for con- struction and additions and betterments.....	15
Tube cleaners at power stations.....	167, 185
Turn-outs, cross-overs, and curves, explanation of.....	25
ties, rails, rail fastenings, and joints used in connection with.....	25

U.

Case.

Underground conduits, cleaning of.....	28
construction labor.....	153
"Undistributed Accounts," definition of.....	26
distributing and reporting of items covered by....	10, 14, 18
Uniforms donated to conductors and motormen.....	106
for inspectors and car starters.....	106
Unloading from cars or boats to yards or dock.....	85
Unnecessary accounts, reference to.....	41
Unpresented coupons from mileage books, value of.....	108

V.

Voluntary contributions to employees or their families on account of sickness, etc.....	74, 16, 150, 151
--	------------------

W.

Wages of blacksmith and helper at track shop.....	92
of carhouse clerks who furnish motormen and conductors with tickets and supplies, receive conductors' remittances, etc.....	21
of conductor injured while ejecting passenger.....	74
of conductor knocked from crowded running board.....	151
of conductor stabbed by drunken passenger.....	150
of employees on steam locomotives and steam and gasoline motor cars....	6
of employees on underground construction.....	153
of express clerks.....	4
of general office employee handling headlights, markers, baggage, express, etc., and who also acts as janitor.....	149
of leverman on derailleurs at steam-railroad crossings.....	91
of operating employees of stations when engaged in repair work.....	79
of substation attendant rendering miscellaneous services.....	148
paid employees while suffering from injuries.....	16, 74, 150, 151
paid for sale of school and other tickets at stores along line.....	22
Wagons, repair or tower, frequently used in construction, expenses of.....	30
Waiting room, rented, repairs of.....	62
Walks along track of elevated railway.....	155
Wall, retaining, for protection of banks, material used in.....	50
Washers—trolley parts.....	56
Waste, steam locomotive and steam and gasoline motor car.....	6
Water from melting snow on city streets, removal of.....	78
of flood, removal of from track.....	87
surface, track inlets and sewer connections for.....	105
used in operation of steam locomotives and steam and gasoline motor cars..	6
Way and structures depreciation accounts, reference to.....	52
Waybills, printing of.....	14
Weeds, labor, material, and tools used in clearing track of.....	86
Welding machines, thermit, crucibles used in connection with.....	73
Wheels—trolley parts.....	56
Widening streets, expenses incident to.....	60, 116
Wire by which trolley is suspended from bracket.....	136
from substation to siding switch lights.....	132
Wires, amounts received for privilege of attaching, to poles.....	68
cutting and replacing overhead, when necessary to move buildings.....	101
leading from trolley to magnets, etc., operating track switch.....	47
span, versus brackets.....	65

	Case.
Wiring for station lights.....	97
for switch lights.....	132, 181
of car fixtures, repairs and renewals of.....	7, 9, 56
Wooden plugs for spike holes in ties.....	90
Work cars, charges against department or contractor for use of.....	84
equipment, rent, and operation of.....	130
 Y.	
"Y," rent of land occupied by.....	48

Accounting Bulletin No. 6

DECISIONS UPON QUESTIONS

RAISED UNDER

CLASSIFICATIONS

PRESCRIBED BY THE

INTERSTATE COMMERCE COMMISSION

FOR

**EXPRESS
COMPANIES**

**IN ACCORDANCE WITH SECTION 20 OF THE
ACT TO REGULATE COMMERCE**

Effective on July 1, 1910

(Supersedes Accounting Bulletin No. 3)



**WASHINGTON
GOVERNMENT PRINTING OFFICE
1910**

THE INTERSTATE COMMERCE COMMISSION.

MARTIN A. KNAPP, *of New York.*

JUDSON C. CLEMENTS, *of Georgia.*

CHARLES A. PROUTY, *of Vermont.*

FRANCIS M. COCKRELL, *of Missouri.*

FRANKLIN K. LANE, *of California.*

EDGAR E. CLARK, *of Iowa.*

JAMES S. HARLAN, *of Illinois.*

EDWARD A. MOSELEY, *Secretary.*

INTRODUCTORY LETTER.

INTERSTATE COMMERCE COMMISSION,
BUREAU OF STATISTICS AND ACCOUNTS,
Washington, June 20, 1910.

TO CARRIERS CONCERNED:

Under date of August 20, 1909, there was issued Accounting Bulletin No. 3, which contained answers to various accounting questions bearing upon the interpretation of the classifications previously prescribed by the Interstate Commerce Commission for the government of express companies in the keeping of their accounts. In order to include in a single pamphlet all those cases and such additional ones as have been decided, this Accounting Bulletin No. 6 is issued. The cases in Accounting Bulletin No. 3 are reprinted herein so that Accounting Bulletin No. 6 contains a complete record of important cases relating to the classifications for Express Companies.

Attention is directed to the fact that the answers given in Cases 5 and 8 have been amended.

Questions pertaining to the interpretation of the classifications are invited, since in no other way will it be practicable to secure uniformity in the interpretation of the prescribed accounting rules.

HENRY C. ADAMS,
In charge of Statistics and Accounts.

INTERSTATE COMMERCE COMMISSION ACCOUNTING

BULLETIN NO. 6.

QUESTIONS AND DECISIONS.

CASE 1.

Query. To what account shall amounts expended for buildings erected on leased ground be charged? Could not such amounts be charged to Operating Expenses in monthly installments covering the period of lease?

Answer. The cost of buildings or structures which are of such nature and use as to be worthless at the expiration of a lease may be charged to Operating Expenses in monthly installments covering the period of lease. In the case of other buildings or structures, the monthly charge to Operating Expenses should be computed according to the principles which govern depreciation charges.

CASE 2.

Query. We fail to find any provision for buildings of the company that are on ground owned by the company and are occupied in part by the company, the remainder being occupied by tenants who pay rent. Is it the intention to keep separate the ground on which buildings are erected from the buildings themselves? Manifestly, there have been cases where we bought the property without separating the cost of the land from the cost of the buildings, and there have been cases where the land has appreciated and the buildings have depreciated, and there are no records to show what the buildings cost originally.

Answer. The query, if understood correctly, indicates the misapprehension that the classification issued requires a redistribution of property and equipment accounts. The Classification of Expenditures for Real Property and Equipment of Express Companies is designed primarily for distributing expenditures for property and equipment (not replacing previously existing property and equipment) made subsequently to the date on which the classification became effective. If, however, expenditures incurred before that date can be redistributed according to the classification, the redistribution may be made.

CASE 3.

Query. We have an account which we have heretofore called "Premium and Discount," which consists principally of charges for exchange on remittances from our depositaries at distant points in the United States to our General Cashier. I do not find in the classification anything that will just cover them and beg to inquire as to where we should charge them. The funds upon which the charges accrue consist of balances due from agents in the regular course of business.

Answer. Exchange paid for agents' remittances to the General Cashier should be charged to operating expense account No. 48, "Other Expenses," under General Expenses.

CASE 4.

Query. Referring to revenue accounts Nos. 6 and 7: to which account should earnings on money orders sold in Canada be credited?

Answer. The revenue from money orders sold in Canada, Mexico, Newfoundland, and Continental United States should be classed as "Domestic" and credited to account No. 6, "Money Orders—Domestic," if payable in the countries named. If payable in other countries, the revenue should be credited to account No. 7, "Money Orders—Foreign."

CASE 5 (amended).

Query. There are certain items which have always been charged by express companies to Loss and Damage Account, which are not provided for in the Classification of Operating Expenses. For instance, loss on financial paper, such as payment of money orders on forged indorsements, bad debts, or uncollectible accounts. Can such items be properly charged to account No. 35, "Loss and Damage—Money," or shall they be included in a separate account?

Answer. Losses occasioned by reason of payment of money orders on forged indorsements should be charged to account No. 48, "Other Expenses," under General Expenses. A loss occasioned through inability to collect the entire amount due on a shipment, if the company's employees are not at fault, should be charged to Income Account, otherwise to "Other Expenses," under Transportation Expenses. (This should not be construed as applying to uncollectible undercharges, which are chargeable to revenue account No. 1.)

CASE 6.

Query. We own a building which is occupied by the local office, the division superintendent, and by others not connected with the express business, and it is practically impossible to separate the expenses of the portion occupied by this company from the portion leased to

others. Will it be permitted to charge the expenses of maintaining and operating this building as an operating expense under the proper heading? If so, which should we credit to the general account "Revenue from Operations Other than Transportation" under the primary account "Rents of Buildings and Other Property;" the entire rent of the building or only that portion paid to the express company? If the latter, what would be the proper distribution for the balance?

Answer. The Classifications of Operating Expenses and Operating Revenues of Express Companies do not contemplate that a company should include in its operating expenses any charge for the rent of its own property, and it follows that there would be no corresponding credit therefor in operating revenues. Operating expense account No. 26, "Rent of Local Offices," is intended to cover only rents actually paid, and operating revenue account No. 5, "Rents of Buildings and Other Property," is intended to embrace only rents actually received. It is obvious that a company may not pay to and receive from itself any such rents

CASE 7.

Query. At E—— City office we are joint with the Passenger Department of the A, B & C Railway, which railway controls the office and we pay a specified amount to cover all expenses. Should we apportion that amount to various accounts? If so, what accounts?

Answer. It is understood that the items covered by the amount paid to the railway company are all Transportation Expenses. If this is correct, you should charge the amount to account No. 39, "Operating Joint Facilities—Dr."

CASE 8 (amended).

Query. To what account should losses in excess of amounts of bonds be charged when such losses are occasioned by defalcation or embezzlement on the part of employees?

Answer. The amount in excess of the bond should be charged to account No. 48, "Other Expenses," under General Expenses. If the amount is relatively large so that its inclusion in Operating Expenses for a single year would unduly burden those accounts, application may be made to the Interstate Commerce Commission for permission to extend the charges into the succeeding fiscal year.

CASE 9.

Query. I can not find that the classifications make any provision for corporation, city, or state taxes. To what account should they be charged?

Answer. Taxes are not considered operating expenses, but should be treated as deductions from Income. An item has been provided for taxes on the Income Account page of the Annual Report form.

CASE 3.

Query. We have an account which we have heretofore called "Premium and Discount," which consists principally of charges for exchange on remittances from our depositaries at distant points in the United States to our General Cashier. I do not find in the classification anything that will just cover them and beg to inquire as to where we should charge them. The funds upon which the charges accrue consist of balances due from agents in the regular course of business.

Answer. Exchange paid for agents' remittances to the General Cashier should be charged to operating expense account No. 48, "Other Expenses," under General Expenses.

CASE 4.

Query. Referring to revenue accounts Nos. 6 and 7: to which account should earnings on money orders sold in Canada be credited?

Answer. The revenue from money orders sold in Canada, Mexico, Newfoundland, and Continental United States should be classed as "Domestic" and credited to account No. 6, "Money Orders—Domestic," if payable in the countries named. If payable in other countries, the revenue should be credited to account No. 7, "Money Orders—Foreign."

CASE 5 (amended).

Query. There are certain items which have always been charged by express companies to Loss and Damage Account, which are not provided for in the Classification of Operating Expenses. For instance, loss on financial paper, such as payment of money orders on forged indorsements, bad debts, or uncollectible accounts. Can such items be properly charged to account No. 35, "Loss and Damage—Money," or shall they be included in a separate account?

Answer. Losses occasioned by reason of payment of money orders on forged indorsements should be charged to account No. 48, "Other Expenses," under General Expenses. A loss occasioned through inability to collect the entire amount due on a shipment, if the company's employees are not at fault, should be charged to Income Account, otherwise to "Other Expenses," under Transportation Expenses. (This should not be construed as applying to uncollectible undercharges, which are chargeable to revenue account No. 1.)

CASE 6.

Query. We own a building which is occupied by the local office, the division superintendent, and by others not connected with the express business, and it is practically impossible to separate the expenses of the portion occupied by this company from the portion leased to

others. Will it be permitted to charge the expenses of maintaining and operating this building as an operating expense under the proper heading? If so, which should we credit to the general account "Revenue from Operations Other than Transportation" under the primary account "Rents of Buildings and Other Property;" the entire rent of the building or only that portion paid to the express company? If the latter, what would be the proper distribution for the balance?

Answer. The Classifications of Operating Expenses and Operating Revenues of Express Companies do not contemplate that a company should include in its operating expenses any charge for the rent of its own property, and it follows that there would be no corresponding credit therefor in operating revenues. Operating expense account No. 26, "Rent of Local Offices," is intended to cover only rents actually paid, and operating revenue account No. 5, "Rents of Buildings and Other Property," is intended to embrace only rents actually received. It is obvious that a company may not pay to and receive from itself any such rents

CASE 7.

Query. At E—— City office we are joint with the Passenger Department of the A, B & C Railway, which railway controls the office and we pay a specified amount to cover all expenses. Should we apportion that amount to various accounts? If so, what accounts?

Answer. It is understood that the items covered by the amount paid to the railway company are all Transportation Expenses. If this is correct, you should charge the amount to account No. 39, "Operating Joint Facilities—Dr."

CASE 8 (amended).

Query. To what account should losses in excess of amounts of bonds be charged when such losses are occasioned by defalcation or embezzlement on the part of employees?

Answer. The amount in excess of the bond should be charged to account No. 48, "Other Expenses," under General Expenses. If the amount is relatively large so that its inclusion in Operating Expenses for a single year would unduly burden those accounts, application may be made to the Interstate Commerce Commission for permission to extend the charges into the succeeding fiscal year.

CASE 9.

Query. I can not find that the classifications make any provision for corporation, city, or state taxes. To what account should they be charged?

Answer. Taxes are not considered operating expenses, but should be treated as deductions from Income. An item has been provided for taxes on the Income Account page of the Annual Report form.

CASE 10.

Query. To what account should be charged the cost of stationery furnished for use in the offices of superintendents and other officers whose pay is chargeable to account No. 21 under general account Transportation Expenses?

Answer. The cost of stationery and stationery supplies used by officers whose pay is chargeable to account No. 21, "Superintendence," should be charged to account No. 33, "Stationery and Printing," under Transportation Expenses.

CASE 11.

Query. To what account should the cost of small signs furnished for rented buildings and depots be charged?

Answer. This expense seems analogous to the items covered in account No. 17, "Advertising," under Traffic Expenses, and should therefore be charged to that account.

CASE 12.

Query. To what account should the cost of drivers' uniforms be charged?

Answer. The cost of drivers' uniforms should be charged to account No. 28, "Stable Supplies and Expenses."

It is the intention that the three primary accounts, "Wagon Employees," "Stable Employees," and "Stable Supplies and Expenses," shall, as nearly as may be possible, represent the cost of operation of the collection and delivery service. This being the case, expenses not specifically named in the Classification of Operating Expenses, that are incurred in the operation of that service, should be charged to one of the three accounts named.

CASE 13.

Query. How should the revenues and expenses of European business be treated?

Answer. The "Foreign" business, other than the sale of financial paper, done by express companies should be included in Outside Operations, the revenues and expenses of which are to be kept separate from those of express operations in the United States. When operations in Canada, Mexico, Cuba, Porto Rico, or Hawaii are conducted as integral parts of a company's business, the revenues and expenses of such operations should be included with the revenues and expenses of operations in the United States. When not so conducted, the revenues and expenses of operations in those countries should be included in Outside Operations.

CASE 14.

Query. Should a portion of the salaries and expenses of Route Agents, Traveling Agents, and Solicitors, as well as of City Solicitors, be charged to Traffic Expenses?

Answer. Salaries and expenses of employees while engaged exclusively in supervising or soliciting traffic should be charged to Traffic Expenses, regardless of whether such employees may, at other times, be engaged in other branches of the business, it being the intention to assign to Traffic all expenses properly assignable to it.

CASE 15.

Query. To what account should rent, attendance, linen, laundry, and incidental expenses of messengers' sleeping rooms be charged?

Answer. To primary account No. 30, "Train Supplies and Expenses."

CASE 16.

Query. Should the expense of a wagon haul used in lieu of train service be charged to "Express Privileges—Dr." when the company owns and operates the wagons?

Answer. It is not considered that the expenses of a wagon haul are in the nature of "Express Privileges." The expenses of such a haul should be distributed to the primary accounts affected that are provided in the Classification of Operating Expenses.

CASE 17.

Query. Should a portion of the salaries of employees who perform transfer duties incidental to their other duties be charged to account No. 31, "Transfer Employees?"

Answer. Only the salaries of such employees as are engaged exclusively in transfer work should be charged to account No. 31.

CASE 18.

Query. Are agents required to hold open a given month's business any specified time in order to include all waybills dated in the given month but received after the end of the month?

Answer. Agents should hold open a given month's business a reasonable length of time in order to include waybills dated in that month but received after the end of the month, it being the intention that all revenues and expenses accruing in any given month should be included in that month's business.

CASE 19.

Query. Should monthly estimates be made of one-twelfth of the annual taxes, based on the amount paid for the previous year?

Answer. One-twelfth of the estimated annual taxes should be charged each month, the charge being based on the preceding year's taxes or on a later modified estimate. Any necessary corrections may be made at the close of the tax year.

CASE 20.

Query. Has any time limit been set within which settlement of through waybills must be made by the companies interested?

Answer. Settlement of a through waybill should be made between companies within sixty days from the end of the month in which the waybill is dated. When more than two companies are interested, a copy of the report rendered by the delivering company should be sent to each of the other companies interested, which report should show the percentage of revenue accruing to each of the carrying companies.

CASE 21.

Query. Is it necessary that all vouchers should bear details on their faces?

Answer. Each voucher should bear on its face sufficient evidence to show for what purpose the amount was paid, in order that it may be determined whether or not the amount is charged to the correct account.

CASE 22.

Query. Should the revenue accruing from wagon hauls within a city be credited to revenue account No. 1?

Answer. Revenue from wagon hauls within a city should be credited to revenue account No. 2, "Miscellaneous Transportation Revenue."

CASE 23.

Query. To what account should amounts paid cities or towns for wagon licenses be charged?

Answer. Amounts paid for wagon licenses should be charged to operating expense account No. 28, "Stable Supplies and Expenses."

CASE 24.

Query. To what account should sundry small amounts absorbed, such as deposits uncalled for, undelivered money packages, etc., be credited? It has been the practice in the past to credit such items to Loss and Damage Account.

Answer. Items of the nature stated above, absorbed by the company, should be credited to Profit and Loss Account, which account should be debited in case refund is made.

CASE 25.

Query. Is it necessary that an inventory be taken at the end of each fiscal year?

Answer. Inventories should be taken at the end of each fiscal year as provided in the notes under primary accounts Nos. 3, 7, 9, 10, and 11, under general account Maintenance, in the Classification of Operating Expenses.

CASE 26.

Query. Should amounts paid to other express companies under "tonnage agreements" be charged to "Express Privileges—Dr."? To what account should amounts received for similar services performed for other companies be credited?

Answer. Amounts paid to other express companies under "tonnage agreements" are chargeable to revenue account No. 1, "Express Revenue," as explained in the text to that account. Amounts received for services rendered under such agreements should be credited to revenue account No. 1.

CASE 27.

Query. This company has a contract for operating the express business over the lines of a certain railway company, but has sublet the privileges to another express company, we paying the railway company the agreed amount annually and receiving from the other express company the agreed amount annually. To what account should our payment to the railway company be charged and to what account should the amount paid us be credited? This company does not operate on the lines of the railway.

Answer. As your company conducts no operations over the railway company's lines, your payment to that company does not come within the class of payments contemplated in the account "Express Privileges—Dr." A clearing account should be opened on your books to which should be charged the amount paid to the railway company and to which should be credited the amount received from the other express company. At the end of the year the surplus or deficit remaining in the account should be credited or debited, as the case may be, to "Miscellaneous Income."

The second express company, on its part, should charge to "Express Privileges—Dr." the amount paid your company.

CASE 28.

Query. A shipment transferred to us by another company is lost or destroyed on our line. To what account should the charges on the shipment be debited?

Answer. The revenue of the company on whose line the shipment was lost should be charged to revenue account No. 1, "Express Rev-

enue." The amount paid to the other company for its proportion of charges should be charged to "Loss and Damage—Freight" or "Loss and Damage—Money," according to the contents of the package.

CASE 29.

Query. We recently had stolen from the safe at one of our offices an amount of money representing the day's receipts at that office. To what account should the loss of this money be charged?

Answer. Charge to account No. 38, "Other Expenses," under Transportation Expenses.

CASE 30.

Query. To what account should be credited amounts paid by railway companies for the services of express messengers who also act as train baggagemen?

Answer. If account No. 29, "Train Employees," has been charged with the total amount of messengers' salaries, it should be credited with the amounts paid by the railway companies for their services.

CASE 31.

Query. To what account should be charged the amounts paid to clerks of courts for filing copies of reports?

Answer. To account No. 48, "Other Expenses," under General Expenses.

CASE 32.

Query. Please advise if such articles as typewriters, computing machines, etc., may not properly be classed as "Equipment."

Answer. Adding machines, calculating machines, typewriters, and similar articles are classified under "Stationery and Printing," and their cost should not be carried in the Property accounts. A fairly complete list of articles considered as equipment is given in the text of accounts Nos. 3, 4, 7, 8, 10, and 11 of the Classification of Operating Expenses.

CASE 33.

Query. Many payments on account of loss and damage claims are made in the fiscal year subsequent to that in which the loss or damage occurred. Is there any objection to charging such payments in the accounts of the months in which they are made?

Answer. Such payments may be charged to Operating Expenses in the months in which they are made, except in the cases of extraordinary amounts, which would impair the significance of operating ratios, in which event the charges may be distributed over a term of months, not extending, however, beyond the current fiscal year without special authority from the Interstate Commerce Commission.

CASE 34.

Query. To what account should amounts paid for marine insurance be charged and to what account should amounts collected from shippers or consignees to cover these charges be credited?

Answer. If the marine insurance covers the transportation risks of "Foreign" business, the revenues and expenses of which are returnable under Outside Operations, the amounts paid are chargeable to the expenses of conducting the Outside Operation. Amounts collected from shippers and consignees to cover these charges should be credited to the same account.

On the other hand, if the transportation of the goods insured is not classed as an Outside Operation the amounts paid for marine insurance should be charged to operating expense account No. 45, "Insurance," and the amounts collected from shippers or consignees therefor should be credited to operating revenue account No. 1, "Express Revenue."

CASE 35.

Query. The express business over a certain railway line is conducted for the railway company by an express company. After deducting from the gross receipts from operation the expenses of operation and the agreed percentage allowed to it as compensation, the express company turns the remainder over to the railway company. How should this transaction be handled in the express company's accounts?

Answer. This office will agree, at least for the present, to accept returns based on the following method of handling: All revenues and expenses should be included in those of the express company. The amount turned over to the railway company should be treated as a deduction from Income; no charge should be made to the "Express Privileges" account.

CASE 36.

Query. One express company has an agreement with another express company under which the operations over the lines of a certain railway company are conducted by the first company for the benefit of the second company. That is, the first company conducts the operations, receives all the revenues, pays all the expenses, and gives the second express company all the net earnings. In case of a deficit the latter company pays the former company the amount of such deficit. Should the revenues, expenses, and express privileges be included in those of the first company?

Answer. The revenues, expenses, and express privileges should be included in those of the first company. The net amount turned over to the second express company should be treated as a deduction from Income.

CASE 37.

Query. In certain cities there are joint offices, and solicitors are employed who attend to the traffic of the companies interested. The salaries of these solicitors are prorated, each company paying its share. How should amounts charged by one company to another be accounted for?

Answer. The paying company should charge the total amount paid for the salaries of such joint employees to operating expense account No. 16, "Outside Agencies," and should credit the same account with the amounts billed against the other companies interested.

CASE 38.

Query. An express company occupies an office room owned by a railway company. The room is not used jointly by the railway and the express company, and it is doubtful whether the rent paid should be charged to account No. 26, "Rent of Local Offices," or to account No. 39, "Operating Joint Facilities—Dr."

Answer. It is the operation of the facility and not the ownership that determines the question. In the case stated there is no joint operation, and therefore the rent paid should be charged to account No. 26.

CASE 39.

Query. To what account should bridge tolls paid for wagons and employees be charged?

Answer. Bridge tolls paid for wagons and wagon employees should be charged to operating expense account No. 28, "Stable Supplies and Expenses." Tolls paid for office employees should be charged to account No. 25, "Office Supplies and Expenses."

CASE 40.

Query. A railway line over which an express company operates does not reach New York City but has its terminal at Jersey City. In order to get traffic to and from trains it is necessary for the express company's wagons to use the ferry boats operating between the two cities. To what account should the cost of ferry tickets for wagons and employees be charged?

Answer. The cost of ferry tickets for wagons and wagon employees is chargeable to operating expense account No. 28, "Stable Supplies and Expenses."

If the company also pays for ferry tickets for the use of employees other than wagon employees, such as office clerks, porters, etc., the cost should be charged to account No. 25, "Office Supplies and Expenses."

CASE 41.

Query. In order to reach a certain city an express company has an agreement with another express company under which the second company handles the business between two given points, receiving an agreed percentage of revenue as compensation. Should the amount paid to the second express company be charged to "Express Privileges—Dr?"

Answer. As the situation is understood, the service performed by the second express company is the same as is covered by the ordinary "tonnage agreement." That is to say, the payment is made to the second express company for handling the first company's traffic over a line on which the second company has the contract and privileges. If this understanding is correct, the amount paid to the second company is not chargeable to "Express Privileges" but should be charged to operating revenue account No. 1, "Express Revenue." The term "tonnage agreements" as used in the text of the last-named account in the Classification of Operating Revenues should not be construed as defining the basis on which payment is made, but as illustrating the nature of the service performed.

CASE 42.

Query. Should amounts paid to agents as commissions for the sale of money orders be deducted from the revenue from the sale of such orders or be charged to operating expense account No. 23, "Commissions?"

Answer. Money-order revenues should be credited with the full amount of the earnings from the sale of orders, and amounts paid to agents as commissions on sales should be charged to account No. 23.

CASE 43.

Query. In order to avoid delay and to save the expense of transferring, arrangements have been made with two railway lines to run through cars between certain points. Line A's cars are loaded and go through over line B. Line A requires line B to pay mileage for the use of the cars. Line B, in turn, makes a charge to the express company of the amount, in addition to the regular compensation paid for express privileges. To what account should the additional amount paid be charged?

Answer. To "Express Privileges—Dr."

CASE 44.

Query. To what account should be charged amounts paid for the rent of horse, refrigerator, or other cars in which shipments have been forwarded by express?

Answer. To "Other Deductions" the Income Account.

CASE 45.

Query. To what account should be charged amounts paid for postage stamps for use in returning C. O. D. checks?

Answer. To account No. 25, "Office Supplies and Expenses," under Transportation Expenses.

CASE 46.

Query. As an intermediate link in the movement of a through express car it is necessary that the car be switched from the station of the railway company which handles it into a junction point to the station of the railway company which handles it out of the junction. To what account should the amount paid for switching be charged?

Answer. To revenue account No. 1, "Express Revenue."

CASE 47.

Query. In order to prepare a car for the transportation of horses it is sometimes necessary to buy lumber and build temporary stalls. To what account should the cost of such stalls be charged?

Answer. To operating expense account No. 30, "Train Supplies and Expenses."

CASE 48.

Query. Payments for lighterage are usually made by express companies in connection with the movement of carload shipments, such as, for example, the placing of carloads of horses at certain docks or unloading places. Are such payments analogous to switching charges absorbed and chargeable to the same account?

Answer. Payments for lighterage, as described in the query, are considered analogous to switching charges absorbed and are chargeable to revenue account No. 1, "Express Revenue."

CASE 49.

Query. To what account should the rent of portable stalls intended for use in connection with the transportation of horses be charged?

Answer. As understood, the rent of such stalls is a minor item, and, therefore, may be charged to operating expense account No. 30, "Train Supplies and Expenses."

CASE 50.

Query. To what account should amounts paid for the rent of Palace Horse Cars be charged?

Answer. Such amounts should be shown as a separate item in the Income Account under the head of "Other Deductions."

CASE 51.

Query. Stationery (other than printed forms) is furnished to a joint office by the controlling company and the cost prorated between the two companies. Should the cost of such stationery be treated as a joint facility expense?

Answer. Stationery furnished to a joint local office, the cost of which is divided among the companies in interest, should be charged by the controlling company to account No. 33, "Stationery and Printing." The amount billed against the other company should be credited to account No. 40, "Operating Joint Facilities—Cr." The debtor company should charge its proportion of the expense to account No. 39, "Operating Joint Facilities—Dr."

CASE 52.

Query. The equipment used at a joint office is owned by the controlling company, the other company paying an agreed percentage on the value of the equipment in lieu of a proportion of the expenses of maintenance and taxes. How should the transaction be handled in the accounts of the two companies?

Answer. Taxes and maintenance expenses paid by the owning company should be charged, in full, by that company to "Taxes" and to the appropriate Maintenance accounts. The amount paid by the other company should be apportioned between maintenance and rents. The portion representing maintenance should be credited by the owning company to account No. 14, "Maintaining Joint Facilities—Cr.," and charged by the other company to account No. 13, "Maintaining Joint Facilities—Dr.," under Operating Expenses. The portion representing rents (taxes) should be credited by the owning company and charged by the other company to an appropriate rental account under Income Account.

CASE 53.

Query. The equipment used at a joint office is owned jointly by two companies and the taxes are prorated between them. Should each company charge its proportion to "Taxes?"

Answer. Yes.

CASE 54.

Query. The equipment of a joint office is owned by the controlling company and the cost of repairs and taxes is prorated between the two companies. Should each company charge its proportion of taxes to "Taxes?"

Answer. The owning company should charge the full amount of taxes paid to "Taxes" and the proportion recovered from the other company should be credited to "Rents" in the Income Account. The tenant company should charge its proportion of the taxes to the corresponding rental account in the Income Account.

CASE 55.

Query. When the horses of another express company are boarded, should the amount received be credited to "Stable Supplies and Expenses" or to "Operating Joint Facilities—Cr.?"

Answer. When one company boards the horses of another (in the use of which it does not share) the amount received should be credited to account No. 28, "Stable Supplies and Expenses."

CASE 56.

Query. To what account should the amount received for stalls sublet in a rented stable be credited?

Answer. To operating expense account No. 28, "Stable Supplies and Expenses."



Accounting Bulletin No. 7

DECISIONS UPON QUESTIONS

RAISED UNDER

CLASSIFICATIONS

PRESCRIBED BY THE

INTERSTATE COMMERCE COMMISSION

FOR

ELECTRIC RAILWAYS

**IN ACCORDANCE WITH SECTION 20 OF THE
ACT TO REGULATE COMMERCE**

Effective on January 1, 1912

(Supersedes Accounting Bulletin No. 5)



WASHINGTON

1911

THE INTERSTATE COMMERCE COMMISSION.

JUDSON C. CLEMENTS, *of Georgia.*

CHARLES A. PROUTY, *of Vermont.*

FRANKLIN K. LANE, *of California.*

EDGAR E. CLARK, *of Iowa.*

JAMES S. HARLAN, *of Illinois.*

CHARLES C. McCHORD, *of Kentucky.*

BALTHASAR H. MEYER, *of Wisconsin.*

_____, *Secretary.*

INTRODUCTORY LETTER.

INTERSTATE COMMERCE COMMISSION,
DIVISION OF CARRIERS' ACCOUNTS,
Washington, December 23, 1911.

TO CARRIERS CONCERNED:

Under date of April 16, 1910, there was issued Accounting Bulletin No. 5, which contained answers to various accounting questions bearing upon the interpretation of certain classifications for electric railway companies, prescribed by the Interstate Commerce Commission to become effective on January 1, 1909. The cases in Accounting Bulletin No. 5 are repeated in this Accounting Bulletin No. 7, a few of them being in amended form. Thus Accounting Bulletin No. 7 contains a file of important cases relating to the classifications for electric railways that were approved for publication before December 1, 1911.

As a matter of information, it may be proper to state that the answers to questions recorded in this bulletin have been submitted to the Committee on a Standard Classification of Accounts of the American Electric Railway Accountants' Association, and with but few exceptions have received its approval.

CHARLES A. LUTZ,
Chief Examiner of Accounts.

CASE 3.

Query. Is a Class C or a Class B road permitted to use the classification of accounts prescribed for carriers of a higher class?

Answer. Electric railways whose revenues place them in Class C or Class B of the Classification of Operating Expenses prescribed by the Interstate Commerce Commission may, if they so desire, keep their accounts under the more extended classification provided for carriers of a higher class.

CASE 4.

Query. To what account should be charged the wages of billing clerks and cashiers in express offices operated by an electric railway?

Answer. To operating expense account No. 64, "Station Employees."

CASE 5.

Query. Are carriers required to keep subaccounts for paragraphs (a) to (f) under account No. 23, "Distribution System," and (a) to (i) under account No. 25, "Buildings and Structures," of the Classification of Operating Expenses of Electric Railways; or will it be satisfactory to show the cost in total under such primary accounts?

Answer. The Interstate Commerce Commission does not require the subdivision of account No. 23, "Distribution System," or account No. 25, "Buildings and Structures;" but any carrier desiring to do so may make subdivisions, provided a list of the subprimary accounts be first filed with the Commission, subject to its disapproval.

CASE 6.

Query. To what account should an electric railway charge the wages of employees and the cost of repairs, fuel, water, lubricants, and waste, incident to the operation of a steam locomotive and of gasoline and steam motor cars, used regularly as rail equipment?

Answer. If the equipment enumerated is used in revenue service, the wages of employees should be charged to operating expense account No. 60, "Passenger Conductors, Motormen, and Trainmen," or account No. 61, "Freight and Express Conductors, Motormen, and Trainmen."

The cost of repairs to the steam locomotive, and to the locomotive features of gasoline and steam motor cars should be charged to account No. 34, "Locomotives," and the cost of repairs to the car features of the motor cars should be charged to account No. 32, "Passenger and Combination Cars," or account No. 33, "Freight, Express, and Mail Cars."

The cost of fuel should be charged to account No. 51, "Fuel for Power"; the cost of water to account No. 52, "Water for Power"; the cost of lubricants to account No. 53, "Lubricants for Power"; and the cost of waste to account No. 54, "Miscellaneous Power-Plant Supplies and Expenses."

If the steam locomotive and the motor cars are used in nonrevenue service, the expenses should be handled in the same manner as those for service cars. (*See Case 249.*)

CASE 7.

Query. To what account should be charged the cost of repairs and renewals of electric car heaters?

Answer. The cost of repairs and renewals of electric car heaters, including wiring for same, should be charged to operating expense account No. 32, "Passenger and Combination Cars," or account No. 33, "Freight, Express, and Mail Cars." (*See Case 9.*)

CASE 8.

Query. Should electric railways observe the Classification of Revenues and Expenses for Outside Operations prescribed for steam roads in handling similar matters?

Answer. No classification of revenues and expenses for outside operations has been prescribed for electric railways.

CASE 9.

Query. Should motors for air governors and pumps on cars be regarded as part of the electrical equipment, and the cost of repairs and renewals thereof be charged to account No. 36, "Electric Equipment of Cars"?

Answer. No. The electric equipment of cars includes the electric *motive* equipment and wiring. The term "car" includes the car body and trucks, electric bells and wiring, electric heaters and

wiring, electric lighting and wiring, and air-brake equipment and wiring. Motors for air governors and pumps on cars should, therefore, be charged to operating expense account No. 32, "Passenger and Combination Cars"; account No. 33, "Freight, Express, and Mail Cars"; account No. 34, "Locomotives"; or account No. 35, "Service Cars." (*See Case 7.*)

CASE 10.

Query. Are electric railways at liberty to open clearing accounts for store expenses and apportion them on a basis of material issued? If so, should only the amounts chargeable to operating expenses be charged to account No. 85, "Store Expenses," and so reported to the Commission, or should this account also include expenses incurred in connection with material issued for construction and betterments?

Answer. Electric railways are at liberty to open clearing accounts for store expenses and apportion the amounts charged thereto. The total amount chargeable to operating expenses should be charged to account No. 85, "Store Expenses."

Account No. 85 should not include expenses incurred primarily in connection with material issued for construction and additions and betterments. Carriers are at liberty to distribute for their own purposes items covered by this account to other operating expense accounts affected, but in their reports to the Interstate Commerce Commission the entire charge for store expenses chargeable to operating expenses should be reported under account No. 85.

CASE 11.

Query. Please explain the various accounts "Other Operations—Dr. and Cr.," contained in the Classification of Operating Expenses of Electric Railways, particularly the paragraphs entitled "Coordinate Departments."

In connection with these accounts, it is understood that account No. 58, "Power Purchased," should show the total amount expended for this purpose, and that the amounts used for lighting shops, carhouses, etc., should be charged to the accounts affected and offsetting credits made to account No. 59, "Other Operations—Cr." Is this correct?

Answer. The accounts "Other Operations—Dr., Coordinate Departments," and "Other Operations—Cr., Coordinate Depart-

ments," are to be used by electric railways which engage in other lines of business, such as the production of light and power for sale. In case the cost of producing power is carried in the primary accounts of the light department, the proportion of operating expenses chargeable to the railway department should be charged to the various "Other Operations—Dr." accounts. In case the cost of producing power is carried in the primary accounts of the railway department, the proportion of operating expenses chargeable to the light or other departments should be credited to the various "Other Operations—Cr." accounts.

Account No. 56, "Power Purchased," covers the cost of power purchased from other companies primarily for the propulsion of cars, and account No. 59, "Other Operations—Cr.," should not be used in connection therewith, unless a portion of the power purchased is used by another coordinate department, such as electric light, heat, power, or gas, within the same company. (*See Case 255.*)

CASE 12.

Query. To what operating expense or other account should be charged rents paid for fare registers used on electric cars?

Answer. To operating expense account No. 63, "Miscellaneous Car-Service Expenses."

CASE 13.

Query. To what account should be charged rent paid for land on which is located a carhouse used as a regular operating carhouse?

Answer. To operating expense account No. 67, "Carhouse Expenses."

CASE 14.

Query. Account No. 63, "Miscellaneous Car-Service Expenses," provides for the cost of tickets, transfers, and baggage checks. Should not the cost of all stationery, such as rate sheets, way-bills, bills of lading, etc., used in connection with the operation of passenger, express, or freight cars be charged to this account?

Answer. No. Charge to account No. 84, "Stationery and Printing." Carriers are at liberty to distribute the items covered by the undistributed accounts in the Classification of Operating Expenses of Electric Railways, but all reports to the Commission should agree with the accounts which are prescribed. (*See Cases 18 and 23.*)

CASE 15.

Query. Account No. 44, "Miscellaneous," in the Classification of Expenditures for Road and Equipment of Electric Railways covers, among other things, "the cost of printing certificates of stocks and bonds, with payments to trustees and expenses incurred in the disposal of securities." Will it be correct to charge to this account expenses of this nature when they relate to the issuance of bonds by an operating electric railway company for construction and additions and betterments?

Answer. Yes.

CASE 16.

Query. Please explain account No. 77, "Relief Department Expenses." Also please advise to what account should be charged an employee's wages when paid while he is suffering from an injury and is not able to work.

Answer. Account No. 77, "Relief Department Expenses," is intended to cover cost of operation of and contributions to a relief department or association. Wages paid to an employee while he is suffering from an injury should be charged to account No. 82, "Injuries and Damages," if the injury occurred while the employee was on duty or if the company was responsible. Voluntary contributions made to employees or families of employees on account of sickness or other inability to perform their duties should be charged to account No. 79, "Miscellaneous General Expenses."

CASE 17.

Query. We have installed in our different carhouses some large storage tanks for compressed air. The compressed air is used in filling air tanks on cars for the operation of brakes. To what account should we charge the maintenance and operation of said tanks?

Answer. The cost of maintenance should be charged to account No. 38, "Shop Machinery and Tools," and the cost of operation to account No. 63, "Miscellaneous Car-Service Expenses."

CASE 18.

Query. To what account should be charged the cost of printing expense bills, balance sheets, and other stationery used in the handling of express and freight business incident to the operation of an electric railway?

To what account should be charged printing and stationery used by clerks whose salaries are charged to account No. 1, "Superintendence of Way and Structures"; account No. 29, "Superintendence of Equipment"; and account No. 48, "Superintendence of Transportation"?

Answer. The cost of expense bills, balance sheets, and other stationery should be charged to account No. 84, "Stationery and Printing." By referring to the note under "Undistributed Accounts," on page 45 of the Classification of Operating Expenses of Electric Railways, it will be found that carriers are at liberty to distribute items covered by accounts Nos. 82 to 88, inclusive, but that all reports to the Commission must agree with the accounts which are prescribed.

The cost of stationery and printing used by clerks whose salaries are charged to accounts Nos. 1, 29, and 48 should be charged to account No. 84. (*See Cases 14 and 23.*)

CASE 19.

Query. We have on our lines foreign cars on which we pay a per diem charge. To what account should an expense of this nature be charged? To what account should be charged the maintenance of such cars while on our tracks?

Answer. Per diem on foreign cars should be charged to account No. 88, "Rent of Equipment," and the maintenance of such cars while on your tracks to account No. 32, "Passenger and Combination Cars"; account No. 33, "Freight, Express, and Mail Cars"; account No. 35, "Service Cars"; or account No. 36, "Electric Equipment of Cars." (*See Case 188.*)

CASE 20.

Query. We have electric cars equipped and used as pile driver, steam shovel, concrete mixer, and stone crusher. To what accounts should be charged the maintenance of these cars and the machinery?

Answer. The maintenance of such cars and machinery should be charged to account No. 35, "Service Cars," or account No. 36, "Electric Equipment of Cars," except when the cars are used on work not chargeable to operating expenses. (*See Case 186.*)

CASE 21.

Query. To what account should be charged the wages of clerks in carhouses whose duty it is to furnish motormen and conductors

with their tickets and supplies, and to receive from conductors their daily remittances and arrange them before sending to the general office?

Answer. To operating expense account No. 48, "Superintendence of Transportation."

CASE 22.

Query. To what account should an electric railway charge commissions and wages paid for the sale of school and other tickets at various stores along the line?

Answer. If the tickets are sold at stores which can be considered stations, charge commissions and wages paid to account No. 64, "Station Employees"; if the stores can not be considered stations, charge to account No. 45, "Superintendence and Solicitation."

CASE 23.

Query. To what account should be charged the cost of printing and furnishing reports made by conductors each day (trip sheets) and shortage notices?

Answer. To operating expense account No. 84, "Stationery and Printing." (See Cases 14 and 18.)

CASE 24.

Query. To what account should be charged the salary and expenses of a supervising engineer in charge of the construction of a new line and buildings, and the installation of machinery in power plants? It is not clear to us whether these expenses should be charged to account No. 1, "Engineering and Superintendence," or charged directly to the account for which incurred, in accordance with Note B.

Answer. If the engineer in question has direct supervision over all of the work in connection with the construction of a new line, it will probably not be possible to apportion his salary and expenses among the various construction accounts, and charges should, therefore, be made to account No. 1, "Engineering and Superintendence," in the Classification of Expenditures for Road and Equipment of Electric Railways.

Note B, under account No. 1, provides that, whenever it is possible, the expenses enumerated should be charged directly to the account for which they are incurred, as, for example, "Power-

Plant Buildings" or "Shops and Carhouses." However, it is not the intention to insist upon any unnecessary refinement in accounting for such matters.

CASE 25.

Query. Should all the ties, rails, rail fastenings, and joints used in connection with crossovers, curves, and turn-outs be charged to account No. 8, "Special Work," in the Classification of Expenditures for Road and Equipment of Electric Railways? What is meant by the term "curves" as used in that account?

Answer. Account No. 8, "Special Work," is not intended to cover the cost of ties, rails, rail fastenings, and joints. These items should be charged to accounts provided for such expenditures. The terms "crossovers," "curves," and "turn-outs" cover only those portions of track which are made to order.

Ordinary curves should be treated as "rails," and other curves as "special work."

CASE 26.

Query. What instructions, if any, have been issued by the Interstate Commerce Commission covering the treatment of amounts expended by electric railways for betterments and improvements?

Answer. The Commission has issued no instructions to electric railways relative to additions and betterments expenditures. Until advised to the contrary, such carriers should account for expenditures of this nature in accordance with the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 27.

Query. Will a company using the standard system of electric railway accounting recommended by the Street Railway Accountants' Association of America be required to adopt the Classifications of Operating Revenues and Operating Expenses of Electric Railways as prescribed by the Interstate Commerce Commission?

Answer. If a company engages in the interstate transportation of persons or property, it should keep its accounts in accordance with the classifications prescribed by the Interstate Commerce Commission effective on January 1, 1909.

CASE 28.

Query. To what account should be charged the cost of cleaning the conduit under tracks and removing dirt and trash of various

kinds which collect therein on roads operated by the underground conduit system?

Answer. This is a feature of maintenance, and is properly chargeable to operating expense account No. 11, "Cleaning and Sanding Tracks."

CASE 29.

Query. We note that the accounts "Interest and Discount" and "Taxes," heretofore carried by many companies in their general expenses, have been dropped from the classification of the Interstate Commerce Commission. Please advise as to the manner in which they should be handled.

Answer. Interest, discount, and taxes, when arising in connection with operations, should be handled through the Income Account. Interest in connection with expenditures for road and equipment should be handled through primary account No. 41, "Interest," in the Classification of Expenditures for Road and Equipment of Electric Railways. (See Case 53.)

CASE 30.

Query. This company's tower wagon is frequently used in connection with the construction of electric lines along new tracks, and it has been our custom to credit to "Stable Expenses" the cost of the service. Is this correct?

Answer. The expenses of repair or tower wagons which are frequently used in construction work should be apportioned between maintenance and construction accounts in accordance with the use to which they are put. If expenses properly chargeable to construction have been included in account No. 40, "Horses and Vehicles," and account No. 86, "Stable Expenses," these accounts should receive proper credit.

CASE 31.

Query. A railway company's shop performs services properly chargeable to various construction accounts and to other companies and persons. To what account should be credited the department expense added to the cost of labor and material to cover a portion of miscellaneous shop and storeroom expenses?

Answer. Such expense should be credited to the proper accounts under Operating Expenses.

CASE 32.

Query. To what accounts should the following charges be made?

(1) Rents paid to private firms or individuals for the right to operate cars on private property.

(2) Rent for land on which poleline right of way for high-tension lines is located.

(3) Amounts paid to municipalities for the right to operate cars on and across streets.

(4) Amounts paid to boards of public works, county officers, etc., for the right to operate cars on and across public highways.

Answer. (1) Charge to account No. 19, "Other Miscellaneous Way Expenses."

(2) Charge to account No. 24, "Miscellaneous Electric Line Expenses."

(3) and (4) Charge to "Taxes" under "Deductions from Income."

CASE 33 (*amended*).

Query. To what account or accounts should be credited charges made against operation and construction accounts for electricity furnished by an electric railway company for the use of its shop motors, carhouse lighting, running of construction cars engaged in company service, such as building new tracks, etc.?

Answer. The Classification of Operating Expenses of Electric Railways does not require a segregation of the cost of power to shops, carhouses, etc. The last paragraph on page 7 of the Classification provides that any carrier may "keep any temporary or experimental accounts the purpose of which is to develop the efficiency of operations: *Provided, however,* That such temporary or experimental accounts shall not impair the integrity of any general or primary account hereby prescribed; and that any such temporary or experimental accounts shall be open to inspection by the Commission." It is therefore permissible for any carrier to ascertain for its own information the cost of power used at shops or carhouses.

The Classification of Operating Expenses of Electric Railways does not contemplate that any distribution shall be made to maintenance accounts for electricity furnished by an electric railway for the use of its shop motors, carhouse lighting, or running of work cars engaged in maintenance.

The actual cost of operating work cars for construction purposes, such as building new tracks, etc., is properly chargeable to construction accounts, and proper credit may be given to revenue account No. 9, "Miscellaneous Transportation Revenue." (*See Case 84.*)

CASE 34.

Query. A large percentage of the purchases made by the purchasing department of this company is for construction and betterment purposes. Would it be permissible to charge to the appropriate construction and betterment accounts such a proportion of the salaries and expenses of that department as would fairly represent the expense of the purchases made primarily for such construction and betterments?

Answer. The Classification of Operating Expenses of Electric Railways is intended to cover operating expenses only, and it is proper to charge to the appropriate construction and betterment accounts such a proportion of the salaries and expenses of purchasing agents and assistants as would fairly represent the expense of the purchases made for such construction and betterments. In the consideration of this question account No. 85, "Store Expenses," should not be overlooked.

CASE 35.

Query. What is meant by "Undistributed Accounts" in the Classification of Operating Expenses of Electric Railways?

Answer. Undistributed accounts are those which contain expenses properly chargeable to more than one of the five general accounts under Operating Expenses. For example, there are injuries which, from a strict accounting standpoint, should be charged under Way and Structures, Equipment, etc. There are various difficulties in distributing these expenses among the several general accounts and the Commission is willing that all expenses for injuries should be carried in account No. 82, "Injuries and Damages," under general account General and Miscellaneous.

CASE 36.

Query. A company conducting a railway, lighting, and power business carries its general accounts in the lighting and power department. A monthly charge for power is made to the street

railway department and to the lighting department. Are the monthly charges for power to the lighting and street railway departments satisfactory, and is a single balance sheet for the entire business permissible?

Answer. Each company conducting a railway, lighting, and power business is at liberty to decide for itself under which department the primary operating expense accounts shall be carried, and should decide upon the basis of division of expenses among the various departments. If the expenses are carried under the lighting and power department, it will be necessary to show on the books of the railway department under accounts Nos. 27, 43, 58, and 80, "Other Operations—Dr.," the proportions chargeable to the railway department under Way and Structures, Equipment, Conducting Transportation, and General and Miscellaneous. The amounts charged to the railway department should be handled in the books of the lighting and power department through such accounts as "Other Operations—Cr."

The Commission has not prescribed a classification of revenues and expenses for outside operations for electric railways.

One balance sheet is all that is necessary for the entire business described in this query.

CASE 37.

Query. To what account should be charged payments made to the Government, on the basis of a specific charge per passenger, for the privilege of operating cars over its bridge?

Answer. Charge to "Taxes." (See Cases 95 and 225.)

CASE 38.

Query. What disposition should be made of custom labor or labor of employees in various departments on work entirely outside of railway operation, for which the railroad is reimbursed the wages of the employees, together with the profit on same and the general shop expenses? What disposition should be made of profits on new material sold to some outside concern from store-room stock which has been handled in sales account?

Answer. Assuming that the amount involved in the custom labor account is small, and that the expenses have been charged to operating accounts, items covering labor performed for outside parties, together with the percentage added for profit and general

shop expenses, should be debited to "Accounts Receivable" and credited to the operating expense accounts originally charged.

The net revenue from the sales account should be handled as miscellaneous income.

CASE 39.

Query. To what account should be charged the cost of new structures and general improvements in a free private park, and the maintenance expenses of such a park?

Answer. The cost of new structures and improvements of a substantial character in a free private park should be charged to account No. 33, "Park and Resort Property," in the Classification of Expenditures for Road and Equipment of Electric Railways.

Maintenance expenses of such a park should be charged to operating expense account No. 46, "Advertising." (*See Case 189.*)

CASE 40.

Query. Should the expense of sprinkling streets be charged to the same account as sanding and cleaning track?

Answer. The cost of sprinkling roadway and track, when not done directly in connection with construction or repairs of track or paving, should be charged to operating expense account No. 11, "Cleaning and Sanding Tracks." The cost of sprinkling rendered necessary by construction or repairs of track or paving should be charged to the proper construction or maintenance account.

CASE 41.

Query. A company, organized for purely local street railway business and having no electric lighting or gas department and no joint arrangement with any other company in the operation of cars, requests information as to the manner in which the accounts in various parts of the Classification of Operating Expenses, "Other Operations—Dr." and "Other Operations—Cr.," would enter into its records.

Answer. From the foregoing statement it is evident that the company in question will not require the accounts "Other Operations—Dr." and "Other Operations—Cr." It is not expected that a carrier will keep any accounts on its books for which it has no need.

CASE 42.

Query. The A and B Light and Traction Company operates gas, electric light, and street railway properties. The operating expenses of the three coordinate departments are kept entirely separate, except the general expenses, consisting of clerical salaries, rent, taxes, and office supplies. Will it be satisfactory to the Commission for us to continue carrying expenses of this character in one account covering all departments, and so state the fact in our annual report?

Answer. Where a company operates both a railway department and a lighting department, the entire cost of producing power should be carried in the primary accounts either of the railway department or of the lighting department, and the amounts chargeable to the other department should be handled through the various accounts, "Other Operations—Dr." and "Other Operations—Cr." For example, if the cost of power is carried in the primary accounts of the railway department, the proportion of operating expenses chargeable to the lighting department should be credited to the various "Other Operations—Cr." accounts. In the case cited, the proportion of general expenses chargeable to the lighting department would appear as a credit under account No. 81, "Other Operations—Cr."

Taxes need not be subdivided between the railway and lighting departments. Taxes should be treated through the Income Account.

CASE 43.

Query. We are charging to account No. 56, "Power Purchased," the actual cost of electric current generated at our plant (gas, electric light, and street railway property) consumed by the railway department. Is this correct?

Answer. The practice above outlined is not in accordance with the requirements of the Classification of Operating Expenses of Electric Railways. Account No. 56, "Power Purchased," is provided for expenditures for power purchased from other companies. (See Case 42.)

CASE 44.

Query. To what account should be credited the amount received from the sale of manure removed from stables?

Answer. To operating expense account No. 86, "Stable Expenses."

CASE 45.

Query. This company operates a sprinkling car for the purpose of sprinkling certain streets and highways on which our track is laid. The city in which this service is performed pays us, as its proportion of the cost of this service, from 15 to 20 cents per sprinkler car-mile run. Please advise to what accounts the corresponding debits and credits should be made.

Answer. The amount received from the city should be credited to revenue account No. 9, "Miscellaneous Transportation Revenue."

In case the service mentioned is performed primarily as a service for the benefit of the road, and the amount received from the city is only incidental, the expense of operating the sprinkling car should be charged to operating expense account No. 11, "Cleaning and Sanding Tracks," and the cost of maintenance and repairs to account No. 35, "Service Cars." If, however, the service rendered is primarily for revenue purposes, the operating expenses should be charged to the appropriate operating expense accounts, as in any other revenue movements. (*See Case 84.*)

CASE 46.

Query. Is there not a conflict between account No. 10, "Paving," and account No. 16, "Crossings, Fences, Cattle Guards, and Signs," in the Classification of Expenditures for Road and Equipment of Electric Railways, so far as they refer to labor and material on crosswalks?

Answer. There is no conflict between the accounts mentioned. Account No. 10 embraces the expense of labor and material used in crosswalks constructed in connection with paving on streets along which the electric road extends; while account No. 16 covers street and road crossings at other points, where it may be necessary to construct entirely new crossings or to provide crossings of an improved character over those previously existing.

CASE 47.

Query. To what operating expense account should be charged the cost of labor and material used in connection with the repair of overhead contacts installed in the trolley wire, and of wires leading from the trolley to magnets, etc., which operate an elec-

tric track switch, a device for automatically doing the work of a switchman through the operation of the magnets?

Answer. The cost of material should be charged to account No. 6, "Special Work," and the cost of labor to account No. 8, "Roadway and Track Labor."

CASE 48.

Query. To what account should be charged an amount paid for rent of land on which a "Y" or switch is located?

Answer. To account No. 19, "Other Miscellaneous Way Expenses," in the Classification of Operating Expenses of Electric Railways.

CASE 49.

Query. This company has an arrangement with telephone, telegraph, and electric lighting companies, whereby it pays an amount for the privilege of making attachments to their poles for carrying its wires, and collects from them another amount for attachments to its poles for carrying their cables and wires. To what accounts should the resulting debit and credit be made?

Answer. Charge the amount paid to operating expense account No. 24, "Miscellaneous Electric Line Expenses," and credit the amount received to revenue account No. 17, "Rents of Buildings and Other Property."

CASE 50.

Query. To what account should be charged the cost of *material* used in the construction of a retaining wall for the protection of banks from high tides, it being understood that account No. 8, "Roadway and Track Labor," is intended to cover the cost of labor expended in such work?

Answer. Operating expense account No. 8, "Roadway and Track Labor," is intended to cover the cost of *labor* expended in "protecting banks by retaining walls, riprap, piling, piers, dikes, or other means." The cost of *material* used in connection with such work properly chargeable to operating expenses should be charged to account No. 10, "Miscellaneous Roadway and Track Expenses."

Expenditures of the above nature arising in connection with the construction of a new road should be charged to account No. 4, "Grading," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 51.

Query. To what account should be charged rent of land used for storage of track material, part of which is for use in repairs of track, but most of which is for use in the construction of new track?

Answer. Unless the amount paid for rent of land used for the storage of track material is a large item, such as several hundred dollars per annum, it should be charged to operating expense account No. 85, "Store Expenses." In case the amount paid is a considerable item, there is no objection to including an appropriate proportion in the construction accounts. Owing to the fact that it would be impracticable to divide this rental charge among the various construction material accounts, the amount should be charged to account No. 44, "Miscellaneous," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 52.

Query. Has the Interstate Commerce Commission prescribed any account for depreciation of way and structures or equipment?

Answer. The Interstate Commerce Commission does not require any electric railway company to keep account No. 26, "Depreciation of Way and Structures," and account No. 42, "Depreciation of Equipment," unless these accounts are prescribed by the Railway Commission of the State in which such company operates the major portion of its mileage. (See Case 215.)

CASE 53 (amended).

Query. Is it proper to charge to account No. 41, "Interest," in the Classification of Expenditures for Road and Equipment of Electric Railways, interest paid on loans made for construction purposes by an operating electric railway company, said interest accruing on money used in building new tracks and for additional power-plant equipment and other construction purposes?

Answer. Interest on loans made for construction purposes that accrues during the construction period should be charged to account No. 41, "Interest." Interest which accrues after the completion of construction work is not chargeable to this account. (See Case 29.)

CASE 54.

Query. Should revenue account No. 15, "Rents of Tracks and Terminals," be credited with all compensation received for the use of tracks and electric lines, including services performed in connection with the dispatching and general supervision of the electric cars of one company using the tracks of another company?

Answer. All compensation of this nature should be credited to revenue account No. 15, "Rents of Tracks and Terminals." No provision is made in the electric classifications for joint facilities accounts.

CASE 55.

Query. This company owns a nine-story building. One-third of the ground floor is used for tracks for cars running into and out of the building, waiting room, ticket office, etc., and the balance is rented for store purposes, concessions, etc. The general offices occupy about one floor, and the remaining floors are rented for office purposes. Should rents received from tenants be credited to operating revenues or miscellaneous income?

Answer. Rents should be credited to revenue account No. 17, "Rents of Buildings and Other Property," if the expense of maintaining and operating the portions rented can not be separated from the expense of maintaining and operating the portion used by the railway company. In case the expense of maintaining and operating the portions rented can be separated from the expense of maintaining and operating the portion used by the railway company, the rents received should be included in Income and not in Operating Revenues, and the expense of maintaining and operating the rented portions should be charged against the rents received.

CASE 56.

Query. We are in doubt as to the proper account to be charged for trolley parts, namely, wheels, axles, washers, springs, harps, poles, bushings, etc., and carbon brushes, carbons, headlight parts, etc. Should these items be charged to accounts 32 to 37, inclusive, or to account No. 63, "Miscellaneous Car-Service Expenses"?

Answer. All such parts as pertain to maintenance of equipment are chargeable to operating expense account No. 32, "Passenger and Combination Cars"; account No. 33, "Freight, Express, and Mail Cars"; account No. 34, "Locomotive"; account No. 35,

"Service Cars"; account No. 36, "Electric Equipment of Cars"; or account No. 37, "Electric Equipment of Locomotives." Account No. 63, "Miscellaneous Car-Service Expenses," includes only such items as do not pertain to maintenance of equipment.

The following indicates the line of demarcation between the electric equipment of a car and the car: Electric equipment of a car includes the electric *motive* equipment and wiring; the term "car" includes the car body and trucks, electric bells and wiring, electric heaters and wiring, electric lighting and wiring, and air-brake equipment and wiring.

Under this segregation, carbons used in electric arc headlights are chargeable to account No. 63, "Miscellaneous Car-Service Expenses," and the other items named to accounts 32 to 37, inclusive.

CASE 57.

Query. Are Class B and Class C electric railways required to keep the 44 accounts composing the Classification of Expenditures for Road and Equipment of Electric Railways, and the 19 accounts composing the Classification of Operating Revenues of Electric Railways, the same as Class A companies?

Answer. All electric railways subject to the jurisdiction of the Interstate Commerce Commission are required to keep their road and equipment and revenue accounts under the same classifications, no condensed classification of road and equipment accounts or of revenue accounts being provided for Class B or Class C companies.

CASE 58.

Query. What is meant by the term "Car Hours" as used in the mileage, traffic, and miscellaneous statistics of the form for annual report, particularly with reference to "Passenger Car Hours"?

Answer. "Passenger Car Hours" include not only the actual time while in revenue service, but also the time consumed in running from carhouses to points where regular service is begun, time lost between trips, and time lost on account of delays caused by blockades, parades, etc. It includes the entire time during which the cars are in charge of the motormen and conductors.

CASE 59.

Query. Is it permissible to apportion store and stable expenses among the water, light, and railway departments in proportion to the services rendered by the storeroom and the stables?

Answer. The proportion of store and stable expenses chargeable to the water and light departments should be handled through account No. 81, "Other Operations—Cr.," it being the intention that the "Other Operations" accounts should apply in connection with all General and Miscellaneous accounts.

Carriers are at liberty to distribute store and stable expenses of the railway department to the various operating expense accounts affected, but for the purpose of the annual reports the amounts distributed should be reported under account No. 85, "Store Expenses," and No. 86, "Stable Expenses," and such amounts eliminated from the accounts to which they were originally distributed.

In this connection attention is called to the fact that no portion of store expenses or stable expenses which is properly chargeable to road and equipment should be included in accounts Nos. 85 and 86, as these accounts are intended to cover only operating expenses. (*See Case 10.*)

CASE 60.

Query. A company is required by its franchise to widen one of the streets upon which it operates, and pay all expenses of excavating, moving back and resetting curbs, constructing new catch basins with sewer connections, adjusting all sidewalks and crosswalks disturbed, readjusting all pole lines, hydrants, etc., owned by other corporations, and laying a new asphalt pavement between the brick-paved railroad strip and the curbs. Would it be proper to consider this as an incidental cost of the road itself and chargeable to account No. 2, "Right of Way," or should the cost be charged to account No. 44, "Miscellaneous"?

Answer. The cost should be charged to account No. 2, "Right of Way," except cost of paving, which should be charged to account No. 10, "Paving." (*See Cases 116 and 191.*)

CASE 61.

Query. Is it intended that account No. 25, "Buildings and Structures," shall be used solely for repairs of owned buildings, or may the cost of repairs to rented buildings be included?

Answer. Account No. 25, "Buildings and Structures," is intended to include cost of repairs of owned buildings or buildings held under long-term leases. The cost of repairs of buildings rented from month to month is not to be included in this account, but should be charged to the account to which the rent is charged.

CASE 62.

Query. Should repairs to rented passenger waiting rooms where tickets are sold be charged to account No. 65, "Station Expenses"?

Answer. Yes. (See Case 61 respecting repairs to buildings let under long-term leases.)

CASE 63.

Query. Should repairs to general offices that are rented be charged to account No. 25, "Buildings and Structures," or to account No. 75, "General Office Supplies and Expenses"?

Answer. Charge to account No. 75, "General Office Supplies and Expenses." (See Case 61 respecting repairs to buildings let under long-term leases.)

CASE 64.

Query. We have a contract with another carrier under which the other carrier provides cars and maintains them for the purpose of running through service. Regular fares are collected to and from junction point by the other carrier. While these cars are on our tracks we pay all expenses of operation and retain all fares collected for transportation between points on such tracks, but pay to the other company a certain part of the fares collected from passengers traveling from or to points beyond the junction. How shall we charge amounts paid under this contract?

Answer. Charge to account No. 88, "Rent of Equipment."

CASE 65.

Query. In account No. 19, "Poles and Fixtures," in the Classification of Expenditures for Road and Equipment of Electric Railways is the statement, "To this account should be charged the cost of * * * brackets and other pole fixtures; * * * also structures for supporting the overhead electric railway construction." In account No. 22, "Distribution System," in the same classification is the statement, "To this account should be charged the cost of material used and labor expended in constructing distribution system, including * * * overhead trolley lines, including cost of trolley, guard, span, strain, supplementary, and messenger wires." Since brackets used for supporting trolley wires are analogous to span wires, should not the cost of such brackets be charged to account No. 22, "Distribution System"?

Answer. Brackets used for supporting trolley wires are distinctly pole fixtures and should be charged to account No. 19, "Poles and Fixtures."

Possibly there has been some misunderstanding as to the meaning of "structures for supporting the overhead electric railway construction" in account No. 19. This is intended to cover such structures as steel catenary bridges, which are used by some railways to carry the double-track overhead lines and which have two side towers and a connecting truss built of light angles and channels.

CASE 66.

Query. Our master mechanic asks that we define the term "electric locomotive" in relation to the Classification of Operating Expenses of Electric Railways, his desire being to know whether the build of the machine or the use to which it is put governs. We have a machine with standard express car body, but with low speed, high-power motor equipment, which is used in handling ballast cars, flat cars, etc., in maintenance work, and sometimes in hauling such freight as lumber, wood, etc., in car lots.

Answer. In defining the term "electric locomotive" the build of the machine, rather than the use to which it is put, should govern. If it is so arranged that it can carry freight or passengers within itself, it should be considered a car.

This distinction seems necessary, as it frequently happens that regular passenger cars, freight cars, or work cars are used to haul other cars and to treat them as locomotives, when so used, would undoubtedly lead to confusion.

CASE 67.

Query. To what account in the Classification of Expenditures for Road and Equipment of Electric Railways should be charged the cost of electric headlights for passenger cars?

Answer. Account No. 35, "Cars." Account No. 37, "Electric Equipment of Cars," is intended to include only the electric *motive* equipment. (See Case 9.)

CASE 68.

Query. We have granted to other electric companies the privilege of attaching their wires to our poles. To what account should we credit revenue from this source?

Answer. To account No. 17, "Rents of Buildings and Other property." (See Case 49.)

CASE 60.

Query. The Classification of Operating Revenues of Electric railways provides in account No. 1, "Passenger Revenue," under the caption "Revenue from Transportation,"—"This account should be charged with amounts paid for * * * tickets redeemed." In Note B it is provided that all tickets may be credited to an open account and this account charged when tickets are collected. In case tickets are redeemed, should they not be charged to the open account to which the sale has been credited?

Answer. If advantage is taken of the privilege of crediting the sale of tickets to an open account, that account should also be charged with amounts paid for tickets redeemed.

CASE 70.

Query. Note B under revenue account No. 1, "Passenger Revenue," states that the proceeds from the sale of mileage books are to be carried to that account as they are honored for transportation. We have always handled the sale of these tickets by crediting directly to revenue, the same as we would round-trip tickets. Is it required that interurban companies reporting to the Commission shall follow the directions in account No. 1?

Answer. It is not permissible to credit revenue account No. 1, "Passenger Revenue," with receipts from mileage books at the time of sale. It will be necessary to credit receipts from mileage books to an open account at the time of sale and to charge such account and credit "Passenger Revenue" as the mileage is honored, in accordance with Note B.

CASE 71.

Query. When a railway company conducts a general lighting business, should the net earnings of the lighting department be included in the revenue statement under account No. 19, "Miscellaneous"?

Answer. Net earnings of the lighting department should not be included in operating revenues, but should be included in the Income Account as "Other Miscellaneous Income."

CASE 72.

Query. To what account should be charged subscriptions to funds raised for the purpose of entertaining conventions visiting our city?

Answer. A subscription to a fund for the purpose of entertaining a convention should be considered as a donation for traffic purposes, and, therefore, should be charged to account No. 46, "Advertising."

CASE 73.

Query. Should the cost of tools used in maintenance of way and structures, including those used in the repairs and renewals of bridges and buildings, interlocking systems, transmission and distribution systems, and the cost of crucibles, etc., used in connection with a thermit welding machine, be charged to account No. 10, except as provided in accounts Nos. 11 and 12?

Answer. Account No. 10, "Miscellaneous Roadway and Track Expenses," includes only the "cost of roadway tools when chargeable to expenses and cost of all material used and labor expended in repairing and renewing all tools, implements, flags, lanterns, etc., used in repairing roadway and track." This would include crucibles, etc., used in connection with a thermit welding machine.

The cost of renewing and repairing tools should be charged to account No. 15, "Bridges, Trestles, and Culverts," if the tools are used in the maintenance of bridges; to account No. 17, "Signal and Interlocking Systems," if used in the maintenance of interlocking systems; to account No. 24, "Miscellaneous Electric Line Expenses," if used in the maintenance of transmission and distribution systems; and to account No. 25, "Buildings and Structures," if used in the maintenance of buildings.

It is not necessary to apportion among a number of accounts the cost of maintenance of tools used for general purposes.

CASE 74.

Query. A conductor on one of our cars, in discharge of his duty, ejected an unruly passenger who refused to pay fare. In doing so the conductor was injured to such an extent that he was unable to attend to his duties for some time. It has been decided to pay the conductor for all of the time lost. Is this a proper charge to account No. 82, "Injuries and Damages"?

Answer. The payment should be charged to account No. 82, "Injuries and Damages." (See Cases 16 and 150.)

CASE 75.

Query. Please advise if premiums paid to guaranty companies for bonds furnished municipalities in accordance with franchises granted for the privilege of constructing and operating railroads on the streets should be charged to account No. 83, "Insurance," in the Classification of Operating Expenses of Electric Railways. The bonds referred to are given for the faithful performance of all the terms of the franchise, including the construction of the line, the payment of a percentage of the gross receipts, and in some instances the maintenance and operation. The bonds are continuous and run during the life of the franchise.

Answer. Such payments should be charged to account No. 44, "Miscellaneous," in the Classification of Expenditures for Road and Equipment of Electric Railways, when they are incurred in connection with construction work; and to account No. 79, "Miscellaneous General Expenses," in the Classification of Operating Expenses of Electric Railways, when they are incurred in connection with operation.

CASE 76 (amended).

Query. In the text of the Classification of Operating Expenses of Electric Railways no specific mention is made of the expenses of maintenance of dams, reservoirs, canals, and pipe lines feeding hydraulic generating plants. What disposition is to be made of this class of expenses?

Answer. The cost of maintenance of such structures should be charged to account No. 25, "Buildings and Structures," in the Classification of Operating Expenses of Electric Railways.

CASE 77.

Query. This company uses large numbers of portable iron signs, which are hooked on the fronts of the cars to indicate their destination. They are in no wise permanent fixtures of the cars, but are used on different cars as occasion requires. On some of our new cars we have adjustable signs which consist of rolls with various destinations painted thereon and are attached to the cars

themselves. To which accounts should the cost of these signs be charged?

Answer. The portable signs should be charged to account No. 63, "Miscellaneous Car-Service Expenses," and the adjustable signs attached to the cars to account No. 32, "Passenger and Combination Cars."

CASE 78.

Query. To what account should be charged the cost of removing water resulting from the melting of snow on city streets?

Answer. To account No. 12, "Removal of Snow, Ice, and Sand."
(See Case 87.)

CASE 79.

Query. Should the wages of engineers and other employees engaged in operating power stations and substations be charged to repair accounts when engaged in making minor repairs during their regular hours?

Answer. It is not intended that any portion of the wages of engineers and other employees engaged in station operation should be charged to repair accounts when they are engaged incidentally during their regular shifts in making minor repairs.

As a general rule, it is not necessary to distribute the wages of a regular employee to the several accounts affected if part of his time is devoted only incidentally to repair work. If, however, he is required to devote a considerable part of his time to such repairs, his wages should be apportioned to the proper accounts in accordance with the work performed. (See Cases 149, 248, and 254.)

CASE 80.

Query. To what account should be charged the cost of printing tariffs, and the cost of printing orders for conductors and motormen in connection with transportation rules, regulations, etc.?

Answer. To account No. 84, "Stationery and Printing."

CASE 81.

Query. Much of our track is located on streets with macadam surface. Should the cost of repairing the macadam be charged to "Paving" or to "Miscellaneous Roadway and Track Expenses"?

Answer. To account No. 9, "Paving."

CASE 82.

Query. We have a track that is "plain back filled," that is, filled with crushed stone to the top of the rails. Should the cost of this filling be charged to account No. 2, "Ballast," or account No. 10, "Miscellaneous Roadway and Track Expenses"? Strictly speaking, it is not ballast, although, in many instances, it would be hard to distinguish it from ballast.

Answer. The cost of filling track with crushed stone to the top of the rails should be charged, when done in connection with maintenance, to account No. 2, "Ballast," and account No. 8, "Roadway and Track Labor."

CASE 83.

Query. Under our contract for carrying the mail we are required to transfer the mail at certain points from the cars to the post-office. To what account shall we charge the cost of this service?

Answer. Specific payments for this service should be charged to account No. 72, "Other Transportation Expenses."

CASE 84.

Query. Since commencing operation we have adopted the policy, in connection with our work-car service, of charging our several departments with the use of work cars at the rate of 65 cents per car hour. This has been done for the reason that we have had to do considerable hauling for the contractors who built the road. We have also charged each department in order that the department head would have it brought more forcibly to his attention that it was the desire of the management that the work cars be used as little as possible. This charge of 65 cents per hour has been credited—50 cents to "Purchased Power" and 15 cents to "Miscellaneous Revenue," which division is based upon an estimate of the amount of power used and the amount necessary to compensate the company for loss through wear and tear, etc. Is this correct?

Answer. No charge should be made against maintenance or other operating accounts for the use of work cars. In the case of cars used on construction work by the company itself, if charge is made against construction accounts it should be as near

actual cost as possible, and credit should be given to revenue account No. 9, "Miscellaneous Transportation Revenue." When a charge is made against a contractor for use of equipment, credit should be given to account No. 9.

The wages of conductors, motormen, and other employees engaged in this service should be charged to account No. 62, "Miscellaneous Car-Service Employees." (*See Cases 33 and 45.*)

CASE 85.

Query. Notes under operating expense accounts Nos. 3, 4, 5, and 6 provide that the cost of labor of unloading shall be charged to account No. 8. If this refers to the first handling of material from cars or boats to yards or docks, it will be difficult, if not impossible, to separate that portion properly chargeable to operating expenses from that chargeable to expenditures for road, as it will not be possible when the material is received to tell which part of the material will be used in repairs and which part in construction. This labor has always been considered as part of the cost of material. Should it not be so considered?

Answer. The notes under the accounts mentioned do not refer to the first handling of material from cars or boats to yards or docks, but to the unloading at the points where the material is to be used. The cost of the first handling is properly chargeable to the cost of the material.

CASE 86 (*amended*).

Query. Should the cost of labor and materials, such as special grubbing tools, liquid weed-killer, and sprinkling devices, used in clearing track and right of way of weeds, be charged to account No. 11, "Cleaning and Sanding Tracks"?

Answer. The material should be charged to account No. 10, "Miscellaneous Roadway and Track Expenses," and the labor to account No. 8, "Roadway and Track Labor."

CASE 87.

Query. May we charge the cost of removing flood water from tracks, including maintenance in connection with track drainage, to "Removal of Snow, Ice, and Sand"? If not, what account should be charged?

Answer. The cost of material used in removing flood water from track should be charged to account No. 10, "Miscellaneous Roadway and Track Expenses," and the labor to account No. 8, "Roadway and Track Labor," except as provided in Case 78.

CASE 88.

Query. Should the cost of placing and removing portable snow fences be charged to "Removal of Snow, Ice, and Sand" or to "Crossings, Fences, Cattle Guards, and Signs"?

Answer. To account No. 12, "Removal of Snow, Ice, and Sand."

CASE 89.

Query. To what account should be charged the cost of planks used in crossings of steam railroads in city streets?

Answer. If the planks are used in maintenance, the cost should be charged to account No. 16, "Crossings, Fences, Cattle Guards, and Signs," in the Classification of Operating Expenses of Electric Railways; if used in construction, to account No. 16, "Crossings, Fences, Cattle Guards, and Signs," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 90.

Query. To what account should be charged the cost of wooden plugs used for filling spike holes in ties?

Answer. To account No. 3, "Ties."

CASE 91.

Query. Should the wages of levermen on derailleurs at steam railroad crossings be charged to "Miscellaneous Car-Service Employees" or to "Operation of Signal and Interlocking Systems"?

Answer. Should be charged to account No. 68, "Operation of Signal and Interlocking Systems."

CASE 92.

Query. Should the wages of blacksmiths and helpers and cost of coal and other supplies for track shop be charged to "Shop Expenses" or to "Miscellaneous Roadway and Track Expenses"?

Answer. The expense of such labor should be charged to account No. 8, "Roadway and Track Labor," and supplies used solely in track maintenance should be charged to account No. 10, "Miscellaneous Roadway and Track Expenses."

CASE 93.

Query. To what account should be charged cost of removing car ashes from cars to dump?

Answer. If removal is made by company employees, the cost should be charged to account No. 66, "Carhouse Employees;" otherwise to account No. 63, "Miscellaneous Car-Service Expenses."

CASE 94.

Query. Please advise whether the salaries of accounting department clerks engaged in handling the accounts of the maintenance of way, mechanical, and stores departments should be charged to account No. 74, "Salaries and Expenses of General Office Clerks," or apportioned to account No. 1, "Superintendence of Way and Structures," account No. 29, "Superintendence of Equipment," and account No. 85, "Store Expenses."

Answer. Assuming that the clerks in question, although exclusively engaged in handling the accounts pertaining to separate departments, are employed in the general accounting office, their salaries should be charged to account No. 74, "Salaries and Expenses of General Office Clerks."

CASE 95.

Query. Should amounts paid to cities for licenses to operate cars within city limits, and payments based on percentage of gross receipts in accordance with the terms of franchises, be charged to "Taxes" or to the Income Account?

Answer. Payments to municipalities for privilege of operating cars (license tax) and payments of a percentage of operating revenues in accordance with terms of franchises (franchise tax) should both be charged to "Taxes" under "Deductions from Income." (See Cases 32, 37, and 225.)

CASE 96.

Query. A ruling is desired as to the proper accounts to be charged with amounts paid for telephone service, such as for

tolls, and for rent of private lines and operating systems. They appear to be in the nature of miscellaneous expenses chargeable to the department for whose benefit the expenses are incurred.

Answer. Rent of telephone lines used primarily for the operation of cars should be charged to account No. 69, "Operation of Telephone and Telegraph Systems." All other telephone expenses should be charged to account No. 79, "Miscellaneous General Expenses." (See Cases 209 and 230.)

CASE 97.

Query. At different points on our line we have electric lights, some of which have been installed in accordance with our franchise agreements, others because of the necessity of providing lights for the safety of our passengers. To what account should the labor and material used in repairing and renewing such lights be charged?

Answer. The cost of repairing and renewing lights, either in accordance with franchise agreements or for the purpose of avoiding accidents, should be charged to account No. 72, "Other Transportation Expenses." In the case of lights installed at stations owned by a company, the cost of repairing and renewing wiring in connection with such lights should be charged to account No. 25, "Buildings and Structures," and the cost of renewing the lamps to account No. 65, "Station Expenses." If, however, the station is rented, the entire expense should be charged to account No. 65. If it is not practicable to separate the expense of renewing and repairing the wiring from that of renewing the lamps at stations owned by a company, the entire cost may be included in account No. 65.

CASE 98.

Query. Our franchise for the use of a county bridge carries an obligation to pay a proportion of the cost of bridge maintenance and operation. How shall we charge such payments?

Answer. The cost of maintaining a bridge used under long-term lease or franchise should be treated the same as maintenance of property owned. With this understanding, the maintenance of the bridge in question should be charged to account No. 15, "Bridges, Trestles, and Culverts," and the cost of any paving done should be charged to account No. 9, "Paving." The wages of bridge tenders should be charged to account No. 62, "Miscellaneous Car-Service Employees."

CASE 99.

Query. What is the proper disposition of the cost of patterns used in making castings? In some cases these patterns were made for cars being built, and are carried in stock and used for making repair parts when necessary. In other cases the patterns are made entirely for casting repair parts. Is it proper to charge the cost of the patterns to the cost of the equipment built, in the first instance, and to the cost of repairing the equipment in the second instance, or should the patterns be treated as hand tools and machine tools?

Answer. The cost of patterns made expressly for the casting of repair parts should be included in the cost of repairing equipment. The cost of patterns originally made for cars being built by a company should be included in the cost of the equipment.

CASE 100.

Query. Referring to accounts Nos. 7, "Rails, Rail Fastenings, and Joints," and 8, "Special Work," in the Classification of Expenditures for Road and Equipment of Electric Railways, kindly advise to which of these accounts should be charged the cost of guard rails placed around plain curves in main tracks where there are no frogs, switches, cross-overs, or other special work in connection therewith. Does account No. 8, "Special Work," include the cost of any guard rails except those used in connection with railroad crossings, cross-overs, frogs, switches, turn-outs, or other parts of the track made to order?

Answer. The cost of guard rails placed around plain curves in main tracks where there are no frogs, switches, cross-overs, or other special work in connection therewith should be charged to account No. 7, "Rails, Rail Fastenings, and Joints." Account No. 8, "Special Work," should include the cost of only such guard rails as are used in connection with railroad crossings, cross-overs, frogs, switches, turn-outs, and other parts of the track made to order. (See Case 25.)

CASE 101.

Query. We are required by city ordinance to cut and replace overhead wires when it is necessary to move any building across or along our streets. Is this a proper charge to Operating Expenses or to Income?

Answer. Such expenses should be charged to account No. 24, "Miscellaneous Electric Line Expenses."

CASE 102.

Query. This company owns ferry slips at a wharf in connection with which we have considerable maintenance expenses. Should we charge to a subaccount under No. 19, "Other Miscellaneous Way Expenses," or to account No. 25, "Buildings and Structures"? At the end of the wharf are fuel oil tanks for the operation of our ferry. Should we charge maintenance expenses to account No. 19, "Other Miscellaneous Way Expenses," or to account No. 25, "Buildings and Structures"?

Answer. Expenses of maintenance of ferry slips and ferry fuel oil tanks should be charged to account No. 25, "Buildings and Structures."

CASE 103.

Query. Is it necessary for a carrier operating a ferry to separate its general and miscellaneous operating expenses between the railway and the ferry?

Answer. No.

CASE 104.

Query. To what account should be charged tools other than track tools, such as wheelbarrows, hose, level boards, paving hammers, hydrant wrenches and reducers, mattocks, hand axes, rail chisels, etc., purchased for construction work?

Answer. These tools should be charged to the construction work or use upon which they are issued, and if after the completion of the work the tools have any salvage value, it should be credited to the work to which the tools were originally charged, and charged to the work to which the tools are thereafter applied. (See Cases 190 and 195.)

CASE 105.

Query. To what account should be charged the cost of track inlets for surface water and their sewer connections?

Answer. To account No. 10, "Paving," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 106.

Query. Kindly advise the proper distribution of the following named expenses:

(1) Cost of uniforms donated to conductors and motormen who have been in service for a certain number of years.

(2) Cost of uniforms and badges for inspectors and car starters whose time is chargeable to account No. 48.

(3) Trustees' commissions and fees for paying out bond interest on clipped coupons, and expenses, including registrars' fees, connected with same.

(4) Premiums on fidelity bonds of employees.

(5) Fees for filing annual reports with the State.

(6) Cost of free entertainments given employees.

(7) Cost of general audit of company's books by an audit company.

Answer. The items described should be charged under the Classification of Operating Expenses of Electric Railways as follows:

(1) To account No. 63, "Miscellaneous Car-Service Expenses."

(2) To account No. 48, "Superintendence of Transportation."

(3) To account No. 79, "Miscellaneous General Expenses."

(4) To account No. 83, "Insurance."

(5), (6), (7) To account No. 79, "Miscellaneous General Expenses."

CASE 107.

Query. Is it intended that items properly chargeable to account No. 39, "Shop Expenses," in the Classification of Operating Expenses of Electric Railways, are to remain as charged or may they be distributed in the same manner as store expenses?

Answer. It is not intended that the items contained in account No. 39, "Shop Expenses," should be distributed to the various operating accounts benefited thereby. However, if any portion of shop expenses is properly chargeable to road and equipment, such portion should be deducted from account No. 39, "Shop Expenses," since that account should represent only the portion chargeable to operating expenses.

CASE 108.

Query. To what account should be credited the value of coupons from mileage books which for any reason remain unrepresented?

Answer. To account No. 1, "Passenger Revenue."

CASE 109.

Query. Is there any objection to the creation of a reserve fund to take care of settlements of loss and damage claims filed by

shippers of freight? The intention is to make charges of an arbitrary amount, so as to take care of claims of this nature during the period within which the damage is done.

Answer. There is no objection to including in operating expenses each month a proportion of the total amount which it is estimated will be necessary to expend on account of loss and damage claims, provided that the charges are adjusted annually so far as practicable.

CASE 110.

Query. To what account should be charged the expense of moving the poles of another company which were located closer to our tracks than we deemed safe, and which we moved back to give proper clearance? When the line was originally constructed the location was presumably all right, but in the course of time, in consequence of operating larger cars and at an increased speed, the present management did not consider the clearance sufficient.

Answer. It is proper to charge the cost of this work to account No. 2, "Right of Way," in the Classification of Expenditures for Road and Equipment of Electric Railways, unless the amount involved is insignificant. In case it is decided to charge the cost to operating expenses, it should be charged to account No. 19, "Other Miscellaneous Way Expenses."

CASE 111.

Query. To what account should be charged the salaries of clerks employed in compiling data and making out reports to the Public Service Commission, State Board of Tax Commissioners, Department of Commerce and Labor, etc.? To what account should the salaries of engineers employed in compiling data in regard to way and structures for such reports be charged?

Answer. The salaries of clerks should be charged to account No. 74, "Salaries and Expenses of General Office Clerks." The salaries of engineers should be charged to account No. 1, "Superintendence of Way and Structures."

CASE 112.

Query. To what account should be charged amounts paid to the United States Government for the right to operate a line across a government reservation?

Answer. If the cars have a private right of way over the government reservation, the payments should be charged to operating expense account No. 19, "Other Miscellaneous Way Expenses." If the line runs in a highway which the Government allows other people to use, the payments should be charged to "Taxes." (See Cases 32 and 37.)

CASE 113.

Query. Frequently when streets upon which rails are laid are torn up for repairs it is necessary for passengers to change from cars on one side of the break in the street to cars on the other side, and men are stationed at the break to care for the cars, to assist the passengers if required, and to perform any other duties in connection therewith. The men employed for this work are not regular car-service employees. To what account should their wages be charged?

Answer. To account No. 62, "Miscellaneous Car-Service Employees."

CASE 114.

Query. To what account should be charged the cost of filling land?

Answer. The cost of filling land, in the ordinary acceptation of the term, should be added to the cost of the land.

CASE 115.

Query. To what account should be charged the cost of painting or stenciling numbers on poles for the purpose of identification and record?

Answer. The cost of first painting or stenciling numbers on poles should be charged to account No. 19, "Poles and Fixtures," in the Classification of Expenditures for Road and Equipment of Electric Railways. Renewals should be charged to account No. 20, "Poles and Fixtures," in the Classification of Operating Expenses of Electric Railways. It is not the intention that carriers should be required to charge insignificant amounts to construction accounts.

CASE 116.

Query. A town, in granting a franchise for the construction of a new line on the streets, requires the railway company to set back the curbs and flags. The work is not necessary for the con-

struction of the road itself, as there is plenty of room on the highway without setting back the curbs. To what account in the classification of Expenditures for Road and Equipment of Electric Railways should such expenditures be charged?

Answer. Expenditures of this nature should be charged to account No. 2, "Right of Way." In case there is any paving to be done in connection with this work, the cost of such paving should be charged to account No. 10, "Paving," in the same classification. (See Case 60.)

CASE 117.

Query. To what accounts should the following items be charged?

(1) City assessment for street grade crossing our right of way, being our proportion for the right of way abutting street and extending back from the street.

(2) City assessment for new trunk sewer, being the amount charged us for our proportion based on right of way through the section served by the sewer.

(3) City assessment for new street pavement, being our proportion of paving inside and alongside our tracks on streets on which our track is laid, the streets not having been previously paved.

(4) Cost of installing new crossings when new streets are opened.

Answer. The items described should be charged under the classification of Expenditures for Road and Equipment of Electric Railways as follows:

(1) To account No. 16, "Crossings, Fences, Cattle Guards, and Signs."

(2) To account No. 2, "Right of Way." (See Case 222.)

(3) To account No. 10, "Paving." (See Cases 2 and 222.)

(4) To account No. 16, "Crossings, Fences, Cattle Guards, and Signs."

CASE 118.

Query. To what account should be charged the expense of an examination of titles of real property and other questions affecting the validity of an issue of bonds?

Answer. To account No. 44, "Miscellaneous," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 119.

Query. To what account should be charged fees paid to an engineering corporation for supervising and managing the operation of an electric railway company?

Answer. To account No. 73, "Salaries and Expenses of General Officers," in the Classification of Operating Expenses of Electric Railways.

CASE 120.

Query. A State assesses railway corporations each year a certain amount graduated on basis of capital stock. To what account should the assessment be charged, or should it be treated under "Deductions from Income," as provided for taxes?

Would this apply to a franchise assessment of a percentage of gross earnings, levied under city ordinance?

Would it apply to what is known as a license tax levied by a city, based on a certain fixed charge per car for the number of cars operated in the city?

Answer. State taxes assessed against railway corporations, the amounts of which are graduated on a basis of capital stock, franchise taxes levied on operating revenues, and license taxes based on the number of cars operated in a city, should be charged to "Taxes" in the Income Account.

CASE 121.

Query. By reason of the construction of a sewer in a street occupied by an electric railway's tracks, it becomes necessary to lay a temporary track around the break in the regular line in order to maintain the regular running schedule and avoid compelling the passengers to make a change of cars at that point.

Should the cost of laying and removing the temporary track be charged to account No. 19, "Other Miscellaneous Way Expenses," or to account No. 68, "Miscellaneous Car-Service Expenses"?

Answer. The cost of temporary track made necessary by the removal of tracks for the purpose of laying a sewer should be charged to account No. 19, "Other Miscellaneous Way Expenses."

CASE 122.

Query. To what account should be charged the cost of "cattle passes," which are in the nature of undergrade crossings?

Answer. To account No. 16, "Crossings, Fences, Cattle Guards, and Signs," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 123.

Query. To what account should be charged the cost of putting in iron-pipe culverts for drainage purposes?

Answer. To account No. 15, "Bridges, Trestles, and Culverts," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 124.

Query. A blast, set off by a concern doing work for itself, so damaged our high-tension system as to cause a good many interruptions in the power and consequently our car service was somewhat delayed for several hours.

In addition to reimbursing us for the expense of restoring the high-tension system to its original condition, the concern has agreed to pay us a certain sum of money to reimburse us for the estimated loss of business suffered from the interruption of our service.

To what account shall we credit the amount paid to us for the estimated loss of business?

Answer. The amount may be credited to account No. 9, "Miscellaneous Transportation Revenue." Strictly speaking, this is not a transportation revenue, but as it is paid to replace what is conceded to be a transportation revenue, it may be so considered.

CASE 125.

Query. We are carrying in suspense an amount paid to a trust company for certification of bonds issued for construction purposes. To what account should it be charged?

Answer. Payments to trustees for certification of such bonds should be charged to account No. 44, "Miscellaneous," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 126 (amended).

Query. We are constructing a new power station which is to be operated by steam turbines. The water for the condensers in

this station is to be obtained from a pool in a near-by river to be formed by a dam at or near the station. To what account should be charged the cost of the dam and the pipes conveying the water from the pool to the condensers?

Answer. The cost of the dam as well as the cost of the pipes used in conveying the water from the pool formed by the dam should be charged to account No. 24, "Power-Plant Buildings," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 127 (*amended*).

Query. The salary of superintendent of power is included in account No. 48, "Superintendence of Transportation," in the Classification of Operating Expenses of Electric Railways. We have always included the salary of superintendent of power in powerhouse expenses. In view of the fact that we operate in one State only, kindly advise if we would not be justified in continuing this practice?

Answer. Under the classifications issued by this Commission it would not be proper for you to eliminate the salary and office and traveling expenses of the superintendent of power from account No. 48, "Superintendence of Transportation" and include them in some other account under Group I—Power.

However, there would be no objection to carrying such expenses as a subaccount under account No. 48, and for your own convenience including such subaccount under Group I—Power. Notice of the establishment of such a subaccount should be given to the Commission, subject to its disapproval.

CASE 128.

Query. To what account should be charged fees paid to directors?

Answer. To account No. 79, "Miscellaneous General Expenses," in the Classification of Operating Expenses of Electric Railways.

CASE 129.

Query. To what account should be credited the proceeds of an annual tax voted to a carrier by the districts through which the carrier operates?

Answer. This should not be credited to operating revenues, but should be handled through the Income Account.

CASE 130.

Query. To what account in the Classification of Expenditures for Road and Equipment of Electric Railways should be cleared "Rent and Operation of Equipment" (the operation of a rented locomotive, pile driver, etc., used in bridge and track work), "Miscellaneous General Expenses," and "Law Expenses?"

Answer. The account "Rent and Operation of Equipment" should be cleared to account No. 11, "Track Laying and Surfacing," and account No. 15, "Bridges, Trestles, and Culverts," unless a portion of the expense is directly chargeable to some other primary account in the Classification of Expenditures for Road and Equipment of Electric Railways. (See Case 126.)

Assuming that the account "Miscellaneous General Expenses" covers expenditures properly chargeable to account No. 44, "Miscellaneous," this account as well as the account "Law Expenses" (see account No. 40), should be carried as primary accounts under General Account III—General Expenditures.

CASE 131.

Query. To what account should be credited revenue from express traffic handled under a contract with an express company, the railway company owning the cars and charging the express company on a mileage basis?

Answer. To account No. 5, "Express Revenue," in the Classification of Operating Revenues of Electric Railways. The revenue received covers compensation for the handling of express traffic exclusively and should be treated accordingly, regardless of the arrangement or basis upon which the compensation is fixed.

CASE 132.

Query. Would it be proper to charge to road and equipment account No. 8, "Special Work," the cost of labor and material used in running a wire from a substation to several of our sidings for the purpose of turning on electric switch lights at said sidings by means of a switch at the substation?

Answer. No. The cost should be charged to account No. 17, "Interlocking and Other Signal Apparatus," in the Classification of Expenditures for Road and Equipment of Electric Railways. However, it is not the intention that carriers should be required to capitalize insignificant amounts.

CASE 133.

Query. To what accounts should be charged the cost of maintenance and operation of machinery in air-compressor stations, used for charging storage tanks for air brakes?

Answer. The cost of maintenance should be charged to account No. 38, "Shop Machinery and Tools," and the cost of operation to account No. 63, "Miscellaneous Car-Service Expenses."

CASE 134.

Query. To what accounts should be charged the cost of construction and maintenance of conduits and fixtures, built from a compressor station (located a block or so away from the main line) to a point alongside of the track, the conduits being used for conveying the compressed air to be used on cars on account of air brakes?

Answer. The cost of construction should be charged to account No. 32, "Shop Equipment," in the Classification of Expenditures for Road and Equipment of Electric Railways, and the cost of maintenance to account No. 38, "Shop Machinery and Tools," in the Classification of Operating Expenses of Electric Railways.

CASE 135.

Query. To what account should be credited interest earned on bank balances?

Answer. To "Interest on Deposits" in the Income Account.

CASE 136.

Query. In a certain system of side-bracket construction, the trolley is suspended by a short wire attached to the bracket. Is this piece of wire a part of the bracket and so chargeable to account No. 20, "Poles and Fixtures," or is it a span wire and so chargeable to account No. 23, "Distribution System"?

Answer. The wire is a part of the bracket, and the cost of maintenance should be charged to account No. 20, "Poles and Fixtures," in the Classification of Operating Expenses of Electric Railways.

CASE 137.

Query. Should not account No. 5, "Ballast," in the Classification of Expenditures for Road and Equipment of Electric Rail-

ways, provide for a separate account to cover ballast produced, as is provided in the Classification of Operating Expenses of Electric Railways?

Answer. If the entire cost of ballast produced is chargeable to road and equipment, it could be properly charged to account No. 5, "Ballast." If, however, the ballast produced is chargeable partly to road and equipment and partly to operating expenses, Note B, under account No. 2, "Ballast," in the Classification of Operating Expenses of Electric Railways, would apply.

CASE 138.

Query. Where track has been laid in an unimproved street under an ordinance which requires the carrier to pay its proportion of the paving when the city paves, should not this proportion be charged to account No. 10, "Paving," in the Classification of Expenditures for Road and Equipment of Electric Railways, even when the proportion is included in a special assessment and spread over a period of years?

Answer. Yes. (See Case 252.)

CASE 139.

Query. Should the cost of macadamizing a road or filling a dirt road up to the head of the rail be considered paving and charged to account No. 10, "Paving," in the Classification of Expenditures for Road and Equipment of Electric Railways, or should it be charged to account No. 11, "Track Laying and Surfacing," in the same classification?

Answer. The cost of macadamizing should be charged to account No. 10, "Paving," and the cost of filling the dirt road up to the head of the rail should be charged to account No. 5, "Ballast."

CASE 140.

Query. Is it proper to charge account No. 15, "Bridges, Trestles, and Culverts," in the Classification of Expenditures for Road and Equipment of Electric Railways, with the cost of a trestle used to handle coal, when the coal is handled in the carrier's own cars and over its own road, and the trestle is used to secure sufficient elevation to dump the coal into coal pockets?

Answer. If the coal pocket is primarily for power station or generating uses, the cost of the trestle should be charged to ac-

count No. 24, "Power-Plant Buildings." If the coal pocket can not be considered a part of the power plant, the cost of the trestle should be charged to account No. 28, "Stations, Waiting Rooms, and Miscellaneous Buildings." (*See Case 144.*)

CASE 141.

Query. When rails are drilled at the mill for bonding and the cost is included in the price paid for the rails, should the entire cost be included in account No. 7, "Rails, Rail Fastenings, and Joints," in the Classification of Expenditures for Road and Equipment of Electric Railways?

Answer. Yes.

CASE 142.

Query. To what account should be charged the amount of conductors' remittances stolen from a safe provided by a carrier?

Answer. To account No. 79, "Miscellaneous General Expenses," in the Classification of Operating Expenses of Electric Railways.

CASE 143.

Query. When the general office is a part of the carhouse and occupies, say, the second story, how should the cost of the general office be charged?

Answer. The cost should be charged to account No. 27, "Shops and Carhouses," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 144.

Query. Should the cost of a coal pocket be charged to account No. 24, "Power-Plant Buildings," in the Classification of Expenditures for Road and Equipment of Electric Railways, as a building used in power generation, or to account No. 27, "Shops and Carhouses," as a storehouse, or to account No. 28, "Stations, Waiting Rooms, and Miscellaneous Buildings," as a building not otherwise provided for?

Answer. If the coal pocket is primarily for power station or generating uses, its cost should be charged to account No. 24, "Power-Plant Buildings." If the coal pocket can not be considered a part of the power plant, the cost should be charged to account No. 28, "Stations, Waiting Rooms, and Miscellaneous Buildings." (*See Case 140.*)

CASE 145.

Query. To what account should be charged the cost of snow plows, such as nose plows, etc., attached to cars?

Answer. The cost of snow plows attached to cars should be charged, under the Classification of Expenditures for Road and Equipment of Electric Railways, to account No. 35, "Cars," account No. 36, "Locomotives," or account No. 38, "Other Rail Equipment," according to the class of equipment to which the attachments are made.

The cost of repairing and renewing snow plows attached to cars should be charged, under the Classification of Operating Expenses of Electric Railways, to account No. 32, "Passenger and Combination Cars"; account No. 33, "Freight, Express, and Mail Cars"; account No. 34, "Locomotives"; or account No. 35, "Service Cars," according to the class of equipment to which the plows are attached.

CASE 146.

Query. Must account No. 25, "Buildings and Structures," in the Classification of Operating Expenses of Electric Railways, be subdivided into the subaccounts (a) to (i), or is this a permissible subdivision?

Answer. This subdivision is permissible, but not compulsory. If subprimary accounts are proposed, a list should be filed with the Commission subject to its disapproval.

CASE 147.

Query. To what account should be charged the cost of terminal houses erected to contain the apparatus necessary in connection with the change from high-tension overhead to underground line construction?

Answer. The cost of original installation should be charged to account No. 21, "Transmission System," in the Classification of Expenditures for Road and Equipment of Electric Railways. The cost of repairs should be charged to account No. 22, "Transmission System," in the Classification of Operating Expenses of Electric Railways.

CASE 148.

Query. When a substation attendant who has little or nothing to do, but must be on duty in case a circuit breaker goes out, also

sells tickets, handles express, etc., and generally acts as station agent, must his wages be apportioned, and, if so, on what basis?

Answer. The wages of such an employee should be apportioned among the accounts affected. It is not intended, however, to be too strict in a matter of this kind, and if the circumstances are such that any account could, with propriety, stand the entire expense, there would be no objection to following such a course.

CASE 149.

Query. When headlights, markers, etc., are cared for and handled at the general office, say, a mile from the carhouse, and the man who does this work also handles baggage and express matter, and acts as janitor of the building, must his wages be apportioned, and, if so, on what basis?

Answer. The wages of such an employee should be apportioned among the accounts affected. It is not intended, however, to be too strict in a matter of this kind, and if the circumstances are such that any account could, with propriety, stand the entire expense, there would be no objection to following such a course. (See Cases 79, 248, and 254.)

CASE 150.

Query. A conductor on duty is stabbed by a drunken passenger without any fault or negligence whatever on the part of the carrier. He has been a faithful employee and it has been decided to pay him for the time lost during the resulting illness. Should the amount be charged to account No. 79, "Miscellaneous General Expenses," or to account No. 82, "Injuries and Damages"?

Answer. To account No. 82, "Injuries and Damages." (See Cases 16 and 74.)

CASE 151.

Query. A conductor is knocked from a crowded running board of an open car while the car is passing close to a pile of building material of the existence of which he is well aware. No negligence on the part of the company is shown or claimed. He has been a faithful employee and it has been decided to pay him for the time lost during the resulting illness. Should the amount be charged to account No. 79, "Miscellaneous General Expenses," or to account No. 82, "Injuries and Damages"?

Answer. To account No. 82, "Injuries and Damages."

CASE 152.

Query. To what account should be charged the cost of renewing a pavement taken up during construction work for the purpose of removing obstructions such as gas and sewer pipes? This paving is more or less removed from the paving described as the paving strip, extending approximately two feet beyond the outside rail and between the rails, and is not maintained by the street railway company.

Answer. The cost of replacing a pavement taken up during construction work for the purpose of removing obstructions such as gas and sewer pipe, should be charged to account No. 10, "Paving," in the Classification of Expenditures for Road and Equipment of Electric Railways, whether or not such pavement is outside of the so-called paving strip maintained by the company in consequence of municipal requirements.

CASE 153.

Query. Is account No. 9, "Underground Construction," in the Classification of Expenditures for Road and Equipment of Electric Railways, intended to include all labor in placing the material described, as well as the cost of material itself, including transportation?

Answer. Such labor should not be included in account No. 9, "Underground Construction," but should be charged to account No. 11, "Track Laying and Surfacing," in analogy with maintenance account No. 8, "Roadway and Track Labor."

CASE 154.

Query. Should the cost of hauling track material from the storeroom to the place where it enters into construction be regarded as a part of the labor cost covered by account No. 11, "Track Laying and Surfacing," in the Classification of Expenditures for Road and Equipment of Electric Railways?

Answer. Yes.

CASE 155.

Query. How should guardrails, walks, and railings along the tracks of elevated railways be classified?

Answer. Timber guardrails, footwalks, and railings along the tracks of elevated railways should be charged to road and equip-

ment account No. 14, "Elevated Structures and Foundations." The reason that rails and ties are excluded from this account and put in separate accounts is, that they can be used on other roadbeds. The timber work described, however, is peculiar to the elevated structure, and should therefore be included in that account for the same reason that all parts of bridges and trestles, except rails, crossties, etc., are included in account No. 15, "Bridges, Trestles, and Culverts," in the same classification.

CASE 156.

Query. In connection with the crossing gates of a railway there is used a cabin which contains the apparatus for operating the crossing gates. In some cases these are old cabins which were used by flagmen before the installation of crossing gates, and have simply been adapted to the new use of crossing gates; in other cases complete new cabins or towers are installed with crossing gates. Is it proper to include the cost of these cabins or towers in account No. 16, "Crossings, Fences, Cattle Guards, and Signs," in the Classification of Expenditures for Road and Equipment of Electric Railways?

Answer. Yes.

CASE 157.

Query. Should the cost of towers that contain the interlocking machinery be included in account No. 17, "Interlocking and Other Signal Apparatus," in the Classification of Expenditures for Road and Equipment of Electric Railways?

Answer. Yes.

CASE 158.

Query. This company is desirous of keeping a subaccount "Lighting System," under account No. 24, "Miscellaneous Electric Line Expenses," said account to contain the cost of maintaining the lighting system on both the elevated and the subway lines. It is the desire to show the cost of maintenance of the lighting system on both divisions in one account, which would not be possible if the cost of maintaining the lighting system of the subway were charged to account No. 13, "Tunnels," in the Classification of Operating Expenses of Electric Railways.

Answer. If the company is interested in having the cost of maintaining the lighting system included in a single item it may

keep the proposed account as an apportionment account to be cleared monthly, but it would destroy the uniformity sought if the account were to be kept as a regular operating account and thus show expenses that in the case of other companies would not appear under account No. 13, "Tunnels."

CASE 159.

Query. To what account should be charged payments for rent of ground on which to place snow fences? To what account should be charged the cost of building snow fences, as well as the expense of setting them up and removing them?

Answer. Rent of ground on which to place snow fences is chargeable to operating expense account No. 12, "Removal of Snow, Ice, and Sand."

The first installation of snow fences should be charged to road and equipment account No. 16, "Crossings, Fences, Cattle Guards, and Signs." After the first installation, the cost of building such fences, as well as the expense of setting them up and removing them, should be charged to operating expense account No. 12, "Removal of Snow, Ice, and Sand."

CASE 160.

Query. To what account should be charged expenses incident to the trial of an ejected passenger who shot and killed one of our trainmen, and burial expenses of said trainman paid by this company?

Answer. The expenses incident to the trial should be charged to account No. 76, "Law Expenses," and the burial expenses, if not paid from a relief association fund, should be charged to account No. 82, "Injuries and Damages."

CASE 161.

Query. To what account should be charged a ditch assessment for constructing a new ditch by which this company is partly benefited although the road has been in operation for some time?

Answer. Provision is made for the cost of ditching roadbed and ditches for waterways in account No. 4, "Grading," in the Classification of Expenditures for Road and Equipment of Electric Railways. If the ditch to which you refer is along the public highway and is not made use of in the operation of the railroad,

the amount of the assessment should be charged to account No. 2, "Right of Way," in the same classification.

CASE 162.

Query. To what account should be charged the cost of sewer and drain tiles used for repairing right-of-way ditches?

Answer. To account No. 10, "Miscellaneous Roadway and Track Expenses." The cost of labor employed in making repairs, however, should be charged to account No. 8, "Roadway and Track Labor."

CASE 163.

Query. To what account should be charged the cost of pieces of glass for fronts of headlights on cars? Is this charge the same as for globes and carbons, or is the glass considered as a repair rather than a supply?

Answer. Pieces of glass for fronts of headlights on cars should be charged, under the Classification of Operating Expenses of Electric Railways, to account No. 32, "Passenger and Combination Cars"; account No. 33, "Freight, Express, and Mail Cars"; account No. 34, "Locomotives"; or account No. 35, "Service Cars," according to the class of equipment on which the glass is used.

Globes and carbons used for headlights should be charged to account No. 63, "Miscellaneous Car-Service Expenses."

CASE 164.

Query. To what account should be charged the cost of trimming trees along tracks to prevent the trees from striking and scratching the sides of cars?

Answer. The cost of labor employed in trimming trees should be charged to account No. 8, "Roadway and Track Labor."

CASE 165.

Query. To what account should be charged the cost of sprinkling paved streets (other than pavement near tracks) in front of passenger and freight stations?

Answer. If the sprinkling in front of stations is performed by employees around the station, the labor should be charged to account No. 64, "Station Employees," and other expenses to ac-

count No. 65, "Station Expenses." If the service is performed by outside parties, the entire expense should be charged to account No. 65.

CASE 166.

Query. To what account should be charged the cost of hat checks furnished trainmen?

Answer. To account No. 63, "Miscellaneous Car-Service Expenses."

CASE 167.

Query. To what account should be charged the cost of tube cleaners and repair parts for cleaning scale from boiler tubes in boilers at power stations?

Answer. The cost of first installation of tube cleaners should be charged to account No. 30, "Power-Plant Equipment," in the Classification of Expenditures for Road and Equipment of Electric Railways. Replacements and repairs should be charged to account No. 30, "Power-Plant Equipment," in the Classification of Operating Expenses of Electric Railways.

CASE 168.

Query. To what account should be charged the cost of envelopes and bags used for filing canceled tickets turned in by conductors?

Answer. To account No. 84, "Stationery and Printing."

CASE 169.

Query. To what account should be charged the cost of fire extinguishers which are to be installed in passenger and freight cars, and in power stations?

Answer. The cost of first installation should be charged to account No. 35, "Cars," account No. 36, "Locomotives," or account No. 38, "Other Rail Equipment," in the Classification of Expenditures for Road and Equipment of Electric Railways, according to the class of equipment in which the fire extinguishers are installed. The cost of first installation in power stations should be charged to account No. 30, "Power-Plant Equipment," in the same classification. It is not intended, however, to require carriers to charge insignificant items to road and equipment accounts.

CASE 170.

Query. To what account should be charged the cost of renewing fire extinguishers used in passenger and freight cars, and in power stations?

Answer. The cost of renewing fire extinguishers in cars should be charged to account No. 63, "Miscellaneous Car-Service Expenses," and in power plants to account No. 54, "Miscellaneous Power-Plant Supplies and Expenses."

CASE 171.

Query. To what account should be charged the cost of installing fire hose?

Answer. The cost of first installation of fire hose should be charged to the same account under Road and Equipment as the building in which the hose is installed. It is not intended, however, to require carriers to charge insignificant items to road and equipment accounts.

CASE 172.

Query. To what account should be charged the cost of renewing or replacing fire hose?

Answer. To account No. 25, "Buildings and Structures," in the Classification of Operating Expenses of Electric Railways.

CASE 173 (amended).

Query. To what account should be charged the expenses incurred on account of a remonstrance against constructing a new ditch along right of way?

Answer. To operating expense account No. 76, "Law Expenses," or road and equipment account No. 40, "Law Expenses," as may be appropriate.

CASE 174.

Query. To what account should be charged cost of printing milk checks for carrying milk?

Answer. To account No. 63, "Miscellaneous Car-Service Expenses."

CASE 175.

Query. To what account should be charged the cost of books purchased for a company's reference library, such as books on electric railway practice, engineering, electricity, etc.?

Answer. To account No. 79, "Miscellaneous General Expenses."

CASE 176.

Query. To what account should be charged subscriptions to electric railway periodicals?

Answer. To account No. 79, "Miscellaneous General Expenses."

CASE 177 (*amended*).

Query. To what account should initiation fees and dues paid to electric and national railway associations be charged?

Answer. To account No. 79, "Miscellaneous General Expenses."

CASE 178.

Query. To what account should be charged the cost of drayage between points when such drayage is absorbed by the carriers of the through rate?

Answer. To account No. 7, "Freight Revenue," in the Classification of Operating Revenues of Electric Railways. (*See Case*

CASE 179.

Query. To what account should be charged the cost of signs on cars for advertising special events?

Answer. Portable signs on cars for the purpose of attracting passengers may be charged to account No. 46, "Advertising;" if simply for the guidance of passengers, they should be charged to account No. 63, "Miscellaneous Car-Service Expenses." (*See Case 77.*)

CASE 180.

Query. To what account should be charged an amount paid by one electric traction company to cover the cost of repairing one electric car which was damaged by one of ours?

Answer. Assuming that the damage to which you refer occurred while crossing on account of a collision, the expense should be charged to account No. 82, "Injuries and Damages."

CASE 181.

Query. To what account should be charged the cost of incandescent lamps, wiring, fuse blocks, and fuses for the maintenance of switch lights at sidings?

Answer. The cost of lamps and fuses should be charged to account No. 68, "Operation of Signal and Interlocking Systems," and the cost of fuse blocks and wiring to account No. 17, "Signal and Interlocking Systems."

CASE 182.

Query. To what account should be charged the cost of labor covering maintenance of switch lights at sidings?

Answer. To account No. 17, "Signal and Interlocking Systems."

CASE 183.

Query. To what account should be charged the cost of installing scales and stoves in company's storerooms?

Answer. If the scales referred to are built in, their initial cost should be charged to account No. 27, "Shops and Carhouses," in the Classification of Expenditures for Road and Equipment of Electric Railways; if they are portable scales, their initial cost should be charged to account No. 32, "Shop Equipment," in the same classification.

The initial cost of installing stoves in company's storerooms should be charged to account No. 27, "Shops and Carhouses."

CASE 184.

Query. To what account should be charged the cost of services of an electric clock at a dispatcher's office for use in train service?

Answer. To account No. 48, "Superintendence of Transportation."

CASE 185.

Query. To what account should be charged the cost of a reseating machine, and repair parts, for grinding and cleaning caps for boiler tubes in power stations?

Answer. The cost of first installation of reseating machines for grinding and cleaning caps for boiler tubes in power stations should be charged to account No. 30, "Power-Plant Equipment,"

the Classification of Expenditures for Road and Equipment of Electric Railways. Replacements and repairs should be charged account No. 80, "Power-Plant Equipment," in the Classification of Operating Expenses of Electric Railways.

CASE 186.

Query. What accounts should be charged with the rent and cost of maintenance and operation of a steam locomotive and other classes of equipment, such as work cars, etc., used in the construction of an electric railway? What disposition should be made of rental charges for time during which the equipment is lying idle on account of inclement weather?

Answer. The rent of such equipment, whether in use or idle, together with the cost of repairs and supplies used in its operation, should be charged to the accounts in the Classification of Expenditures for Road and Equipment of Electric Railways that are benefited by the service, being apportioned among them on an equitable basis. (*See Case 130.*)

CASE 187.

Query. How should receipts and payments for cartage be handled when cartage is included in the rates?

Answer. When freight rates include cartage, the total amounts charged should be credited to account No. 7, "Freight Revenue," in the Classification of Operating Revenues of Electric Railways, and the amounts paid to a cartage agency for cartage should be charged to the same account. (*See Case 178.*)

CASE 188.

Query. Should freight earnings be charged with amounts paid to other companies for the use of their cars?

Answer. Amounts paid to other companies for the use of their cars should be charged to account No. 88, "Rent of Equipment," in the Classification of Operating Expenses of Electric Railways, and not to the revenue account benefited by the use of the cars. (*See Case 19.*)

CASE 189.

Query. To what account should be credited the net receipts from the operation of a park or amusement resort, after deducting

all the expenses? During a portion of the year the expenses would probably exceed the receipts, but during the summer season the receipts might exceed the expenses, and to show a credit balance in operating expense account No. 46, "Advertising," would not appear desirable.

Answer. If the park or amusement resort is operated primarily for the purpose of attracting traffic, and not as an investment, the proper account to credit is account No. 19, "Miscellaneous," in the Classification of Operating Revenues of Electric Railways. The income from, and the expense of, conducting such a park or amusement resort may be carried in a suspense account until the close of the season. When this method is followed, the estimated net profit or net expense should be equitably apportioned among the months during which the park or amusement resort is open to the public, and an adjustment of the suspense account made at the close of the season.

CASE 190.

Query. Should account No. 4, "Grading," in the Classification of Expenditures for Road and Equipment of Electric Railways, include the cost of grading tools? To what account should be charged the cost of a grading camp, including tents and other equipment for boarding and lodging laborers?

Answer. The cost of tools for grading, as well as the cost of tents and other equipment for boarding and lodging laborers engaged in the work, should be charged to account No. 4, "Grading." This account should be credited with the remaining value of tools and other equipment when the work is completed. (See Cases 104 and 195.)

CASE 191.

Query. A company is called upon by the various municipalities through which it operates to pay for street improvements, either by assessments levied by municipal authority or by payments to contractors in accordance with city ordinances. Is the initial expense of street paving, sidewalks, curbs, gutters, etc., chargeable to operating expenses or to road and equipment? Are payments for improvements of the above nature made in connection with depots and depot grounds chargeable to account No. 2, "Right of Way," or account No. 3, "Other Land used in Elec-

c Railway Operations," in the Classification of Expenditures for Road and Equipment of Electric Railways?

Answer. The initial cost of street paving, sidewalks, curbs, gutters, etc., is chargeable to construction accounts. Expenditures of this nature in connection with depots and depot grounds could be charged to account No. 28, "Stations, Waiting Rooms, and Miscellaneous Buildings," in the Classification of Expenditures for Road and Equipment of Electric Railways, except that the cost of all paving about tracks and special work and the cost of crosswalks incident to track construction should be charged to account No. 10, "Paving," whether in the public way or upon ground used in connection with depots or depot grounds. (See pages 60 and 116.)

CASE 192.

Query. To what account should the cost of land acquired for station or terminal grounds and for shops and power houses be charged?

Answer. The cost of such land should be charged to account No. 3, "Other Land used in Electric Railway Operations."

CASE 193.

Query. To what account should insurance premiums paid on construction material or on equipment or structures under construction be charged?

Answer. Insurance premiums paid on construction material or equipment or structures under construction should be charged to specific accounts when they can be allocated to such accounts; otherwise to account No. 44, "Miscellaneous" in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 194.

Query. Should the cost of meals furnished to trainmen on rush days, such as circus day, Fourth of July, etc., be charged to account No. 63, "Miscellaneous Car-Service Expenses," or to account No. 72, "Other Transportation Expenses," in the Classification of Operating Expenses of Electric Railways?

Answer. Account No. 63, "Miscellaneous Car-Service Expenses."

CASE 195.

Query. What account should be charged with the cost of a steam shovel used in the construction of an electric railway?

Answer. If, as is assumed, the steam shovel is to be used in grading, its cost should be charged to account No. 4, "Grading," in the Classification of Expenditures for Road and Equipment of Electric Railways. If the steam shovel is sold after the completion of the grading, the proceeds from the sale should be credited to account No. 4. If, however, it is retained and used, account No. 4 should be credited with the inventory value at the completion of the grading, and account No. 38, "Other Rail Equipment," charged, provided the steam shovel is permanently mounted on a car. In case it is not so mounted, account No. 12, "Roadway Tools," should be charged. (*See Cases 104 and 190.*)

CASE 196.

Query. Under a joint arrangement, practically all the scrap material of several companies controlled by the same interests is sold under contract to a single purchaser. The contract provides that the scrap shall be cleaned, packed, if necessary, shipped to a designated point, and delivered to the purchaser at prices fixed in the contract. Should the cost of cleaning, cutting up, collecting, and packing, and amounts paid for cartage and freight be charged to account No. 85, "Store Expenses," in the Classification of Operating Expenses of Electric Railways?

Answer. Account No. 85, "Store Expenses," provides for the cost of collection of scrap material, but it is not intended that this account should include the cost of cleaning and cutting up scrap material, or of packing and shipping it to the point where it is sold. Such expenses should be deducted from the amounts received from the sale of the scrap material.

CASE 197.

Query. The property of a railway company suffered considerable damage by floods. Temporary repairs were made to permit the operation of trains over the damaged portion, it being deemed advisable to postpone permanent repairs on account of the approach of winter. During the following year the damaged property was restored to a condition equal to that before the flood.

Could a reserve be set up through charges to operating expenses of the flood year to provide for the repair of the property damaged?

Answer. If the cost of the permanent repairs proposed can be approximately determined, there is no objection to charging operating expenses each month with a proportion of the cost of such repairs, with the understanding that such charges will be adjusted to the basis of actual expenditures as soon as the work is completed. The amounts charged to operating expenses for this purpose should be carried in a reserve, against which the cost of the repairs should be charged as they are made.

CASE 198.

Query. To what account should be charged the cost of current purchased from another company to supply electric-light clusters at stopping points along the line, not stations?

Answer. Account No. 56, "Power Purchased." (See Case 227.)

CASE 199.

Query. A company owns tracks but no cars or power house. To operate the road, cars and power are secured from another company at the rate of 8 cents per car-mile for both cars and power. How should amounts thus paid be treated?

Answer. They should be apportioned between account No. 88, "Rent of Equipment," and account No. 56, "Power Purchased."

CASE 200.

Query. The tracks and equipment of a dummy freight line owned by a street railroad are leased to a steam road for exclusive use, the steam road maintaining and operating the line. Should the street railroad include the yearly rent received under revenue account No. 15, "Rents of Tracks and Terminals," or under "Miscellaneous Income" in the Income Account?

Answer. The amount of rent received as described above should be included under "Miscellaneous Income."

CASE 201.

Query. An electric railway system is operated in three divisions; the first including the lines in two cities, A and B, sepa-

rated by a river; the second division including the lines in a third city, C; and the third division including an interurban line, 22 miles in length, connecting B and C. The main supply depot is at A. Would it be proper to credit the revenues of the interurban line and charge the expenses of the lines in C with freight charges on company material and supplies carried from B to C to be used in C?

Answer. It is not proper for a carrier to include in its operating revenues freight charges for the transportation of company material and supplies for the maintenance and operation of its property.

CASE 202.

Query. Should an electric railway company whose line is under construction, no part of it having been completed and no cars having been run, open any account for operating expenses, or should it charge all expenditures to construction?

Answer. It is not proper to open any account for operating expenses before cars are run. All expenditures in connection with the construction of a road should be charged to the accounts prescribed in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 203.

Query. Several cars of coal were purchased by a road under construction, to be held for use for generating purposes in the power house after operations are begun. To what account should the cost of the coal be charged?

Answer. The cost of coal purchased for use after the beginning of operations should be charged to a fuel account. This account should be credited and the appropriate operating expense accounts should be charged as the coal is used.

CASE 204.

Query. A freight agent has on his books an account for freight charges on a car of coal. The car was delivered to the consignee over two years ago, but the check given in payment of the charges was returned by the bank protested. What disposition should be made of this account, which can not be collected?

Answer. The loss may be considered a corporate loss and the amount charged to Profit and Loss.

CASE 205.

Query. To what account should be charged an amount paid to a city for permission to open a pavement in order to repair joints, relay rails, etc.? The pavement in question is in good condition and the amount of the payment covers the estimated cost of replacing it.

Answer. The cost should be charged to account No. 9, "Paving," in the Classification of Operating Expenses of Electric Railways.

CASE 206.

Query. To what account should be charged the cost of repairing or replacing catch basins used for drainage purposes?

Answer. The cost of labor required should be charged to account No. 8, "Roadway and Track Labor," and the cost of material to account No. 10, "Miscellaneous Roadway and Track Expenses," in the Classification of Operating Expenses of Electric Railways.

CASE 207.

Query. To what account should be charged the wages of pilots directing the operation of a company's own cars by crews not familiar with certain divisions of the line, or directing the operation of cars of another company by their own crews?

Answer. Pilots as described above should be considered trainmen and their wages charged to operating expense account No. 60, "Passenger Conductors, Motormen, and Trainmen," or account No. 61, "Freight and Express Conductors, Motormen, and Trainmen," according to the service in which they are engaged.

CASE 208.

Query. To what account should an electric railway company credit an amount received from another company for the privilege of running cars over a portion of its line, the first company furnishing the power and pilots to direct the movement of the cars, which are furnished and operated by the second company?

Answer. The amount received for such a privilege should be credited to revenue account No. 15, "Rents of Tracks and Terminals," with the exception of the portion of the amount applicable to the wages of the pilots, which should be credited to the account to which the wages are charged.

CASE 209.

Query. What account is chargeable with the cost of telephone service, including both tolls and rents, in stations for agents' use in reaching patrons of the line, and in the offices of the operating officers?

Answer. Account No. 79, "Miscellaneous General Expenses."
(See Cases 96 and 230.)

CASE 210.

Query. A passenger holding a ticket is ejected from an electric railway company's car and enters suit against the company for damages. To what account should the amount of the damages awarded be charged?

Answer. Damages awarded to a passenger on account of his ejection from a car should be charged to account No. 82, "Injuries and Damages," in the Classification of Operating Expenses of Electric Railways.

CASE 211.

Query. Account No. 34 in the Classification of Expenditures for Road and Equipment of Electric Railways provides for the cost of road purchased. To what account or accounts should be charged expenditures in connection with the reconstruction of a road purchased, involving a general overhauling of track and electric line construction, stations, platforms, etc., to bring the physical condition of the road to a proper standard of efficiency and safety?

Answer. The net cost of expenditures in connection with the reconstruction of a road purchased should be distributed among the various accounts in the Classification of Expenditures for Road and Equipment of Electric Railways. It is not intended that such expenditures should be charged to account No. 34, "Cost of Road Purchased."

CASE 212.

Query. An electric railway company owns five automobiles, one used by the president, one by the general superintendent, one by the superintendent of maintenance of way, and the other two by linemen. What accounts should be charged with the garage expenses, including the salaries of men in charge; with the cost of

gasoline, oil, and waste used in the machines; and with the cost of material used in making repairs?

Answer. The garage expenses, including the salaries of the men in charge, and the cost of gasoline, oil, and waste used in the machines, should be charged to account No. 88, "Stable Expenses," in the Classification of Operating Expenses of Electric Railways. The cost of repairs should be charged to account No. 40, "Horses and Vehicles."

CASE 213.

Query. To what account should be charged the cost of concrete put in as foundation for tracks in building a pit in a carhouse or in a yard?

Answer. Assuming that the pit is built to facilitate the housing and maintenance of equipment, the cost of the foundation put in for tracks in building a pit in a carhouse should be considered a part of the cost of the carhouse, and so charged to account No. 77, "Shops and Carhouses," in the Classification of Expenditures for Road and Equipment of Electric Railways.

A pit in a yard is presumably built to facilitate the examination and repair of equipment and should be considered a miscellaneous structure, the cost of which is chargeable to account No. 28, "Stations, Waiting Rooms, and Miscellaneous Buildings."

A pit constructed to facilitate the change between the underground and the overhead electric contact system should be considered a part of the track construction.

CASE 214.

Query. An electric railway company expects to engage in the lighting and power business. Is it permissible to charge the various accounts in the Classification of Expenditures for Road and Equipment of Electric Railways with the cost of installation of additional units in the power house, and of pole lines and feeder lines? If this is not permissible, will it be satisfactory to have one balance sheet to cover both the railway business and the lighting and power business?

Answer. It is permissible to include the cost of additional units in the power house and of pole lines and feeder lines in the accounts provided in the classification.

CASE 215.

Query. What rates of depreciation should be applied to the different portions of an electric railway's plant? Should the prin-

principle of depreciation be applied in the case of each of the 44 classes of construction covered by the accounts prescribed in the Classification of Expenditures for Road and Equipment of Electric Railways?

Answer. Provision is made in the Classification of Operating Expenses of Electric Railways for two depreciation accounts, viz.: account No. 26, "Depreciation of Way and Structures," and account No. 42, "Depreciation of Equipment;" but the Interstate Commerce Commission does not require any electric railway company to keep these accounts unless they are prescribed by the Railway Commission of the State in which such company operates the major portion of its mileage.

The question of the rates of depreciation is one which each carrier must determine for itself, and the Interstate Commerce Commission has issued no order fixing such rates. (*See Case 52.*)

CASE 216.

Query. What account should be credited with discounts allowed by manufacturers for payment, within specified times, of bills for material purchased?

Answer. Discounts allowed for the prompt payment of bills for material purchased should be credited to the accounts charged by the original invoices.

CASE 217.

Query. What revenue account should be credited with receipts for the transportation of newspapers on passenger cars? Newspaper stamps are sold at fixed rates per 100 pounds and affixed to the packages to indicate their weight and the fact that prepayment has been made.

Answer. Account No. 5, "Express Revenue," in the Classification of Operating Revenues of Electric Railways.

CASE 218.

Query. What accounts should be charged with the cost of maintenance of a bonding car and its electric equipment?

Answer. A bonding car should be considered a car rather than a tool, and the cost of its maintenance should be charged to account No. 35, "Service Cars," and the cost of maintenance of its electric equipment to account No. 36, "Electric Equipment of

Cars," in the Classification of Operating Expenses of Electric Railways. It is understood that "electric equipment" as here used includes only the electric motive equipment and wiring.

CASE 210.

Query. What disposition should be made in a lessee company's accounts of expenditures for betterments of the road and equipment of lessor companies made in accordance with the terms of the leases, there being no provision for reimbursement of the lessee for expenditures so made?

Answer. Expenditures for additions and betterments of the property of leased companies should not be included in the lessee's road and equipment accounts, but should be carried on its books as "Additions and Betterments of Leased Lines," being subdivided into the 44 accounts prescribed in the Classification of Expenditures for Road and Equipment of Electric Railways. If there is no provision for reimbursement on account of such expenditures, they should be amortized during the term of the lease through charges to "Rents of Leased Lines."

CASE 220.

Query. What account should be charged with the cost of electric motors installed by an electric railway on the premises of customers to whom current for lighting and power is furnished?

Answer. If the company conducts a general lighting and power business as well as railway business, the cost of motors installed on customers' premises should not be included in its road and equipment accounts as prescribed in the Classification of Expenditures for Road and Equipment of Electric Railways, but should be carried in a separate account such as "Investment in Outside Operations."

If, however, the lighting and power business is merely incident to the railway business, the cost of such motors should be charged to account No. 22, "Distribution System."

CASE 221.

Query. What account should be charged when conductors are given relief from charges for shortages shown by register readings and credited to "Passenger Revenue"? The relief is

granted as the result of investigation or at the request of the superintendent on account of operating conditions.

Answer. "Passenger Revenue" should be charged, as the amounts in question were previously credited to it.

CASE 222.

Query. What account should be charged with the amount assessed against a street railway for paving and a sewer? The work is done for the city by contract, so that the actual cost can not be determined for either the paving or the sewer.

Answer. The amount of the assessment should be apportioned as equitably as may be between account No. 10, "Paving," and account No. 2, "Right of Way," in the Classification of Expenditures for Road and Equipment of Electric Railways. (*See Cases 2 and 117.*)

CASE 223.

Query. What accounts should be charged with wages paid to trainmen for time during which they are required to be on duty and hold themselves in readiness for active service?

Answer. Wages paid to trainmen for time spent on duty, whether in actual platform work or in readiness for it if called upon, should be charged to account No. 60, "Passenger Conductors, Motormen, and Trainmen," or account No. 61, "Freight and Express Conductors, Motormen, and Trainmen," in the Classification of Operating Expenses of Electric Railways, according to the nature of the service.

CASE 224.

Query. As a condition to permission to place double tracks in certain subways constructed in the elevation of the tracks of steam roads, an electric railway was required to change the grade on a street in another part of the city. Should the cost of the work on the city street, such as the changing of the grade, curbing, etc., be charged to account No. 2, "Right of Way," in the Classification of Expenditures for Road and Equipment of Electric Railways?

Answer. Yes.

CASE 225.

Query. To what account should a street railway company charge payments to a city for the privilege of operating cars and stringing wires over a bridge crossing a river?

Answer. "Taxes" under "Deductions from Income." (See Case 37.)

CASE 226.

Query. To what account should be charged fees of witnesses and others appearing for a motorman and conductor at a coroner's inquest, occasioned by an accident?

Answer. Account No. 82, "Injuries and Damages," in the Classification of Operating Expenses of Electric Railways.

CASE 227.

Query. Should account No. 56, "Power Purchased," in the Classification of Operating Expenses of Electric Railways include the cost of all power purchased for use in connection with the operation of a line, or of only the amount actually used for the propulsion of cars? A considerable portion of the power purchased is used in lighting cars and car barns, and in operating track cranes, etc.

Answer. The entire cost of power purchased should be charged to the account named. (See Case 198.)

CASE 228.

Query. What account should be charged with the cost, which is not large, of loading and unloading cinders used in leveling ground around a power plant and car barns?

Answer. Account No. 25, "Buildings and Structures," in the Classification of Operating Expenses of Electric Railways.

CASE 229.

Query. To what account should be charged the cost of switch rods or hooks carried on cars for use in throwing tongue switches?

Answer. Account No. 63, "Miscellaneous Car-Service Expenses," in the Classification of Operating Expenses of Electric Railways.

granted as the result of investigation or at the request of the superintendent on account of operating conditions.

Answer. "Passenger Revenue" should be charged, as the amounts in question were previously credited to it.

CASE 222.

Query. What account should be charged with the amount assessed against a street railway for paving and a sewer? The work is done for the city by contract, so that the actual cost can not be determined for either the paving or the sewer.

Answer. The amount of the assessment should be apportioned as equitably as may be between account No. 10, "Paving," and account No. 2, "Right of Way," in the Classification of Expenditures for Road and Equipment of Electric Railways. (*See Cases 2 and 117.*)

CASE 223.

Query. What accounts should be charged with wages paid to trainmen for time during which they are required to be on duty and hold themselves in readiness for active service?

Answer. Wages paid to trainmen for time spent on duty, whether in actual platform work or in readiness for it if called upon, should be charged to account No. 60, "Passenger Conductors, Motormen, and Trainmen," or account No. 61, "Freight and Express Conductors, Motormen, and Trainmen," in the Classification of Operating Expenses of Electric Railways, according to the nature of the service.

CASE 224.

Query. As a condition to permission to place double tracks in certain subways constructed in the elevation of the tracks of steam roads, an electric railway was required to change the grade on a street in another part of the city. Should the cost of the work on the city street, such as the changing of the grade, curbing, etc., be charged to account No. 2, "Right of Way," in the Classification of Expenditures for Road and Equipment of Electric Railways?

Answer. Yes.

CASE 225.

Query. To what account should a street railway company charge payments to a city for the privilege of operating cars and stringing wires over a bridge crossing a river?

Answer. "Taxes" under "Deductions from Income." (See Case 37.)

CASE 226.

Query. To what account should be charged fees of witnesses and others appearing for a motorman and conductor at a coroner's inquest, occasioned by an accident?

Answer. Account No. 82, "Injuries and Damages," in the Classification of Operating Expenses of Electric Railways.

CASE 227.

Query. Should account No. 56, "Power Purchased," in the Classification of Operating Expenses of Electric Railways include the cost of all power purchased for use in connection with the operation of a line, or of only the amount actually used for the propulsion of cars? A considerable portion of the power purchased is used in lighting cars and car barns, and in operating track cranes, etc.

Answer. The entire cost of power purchased should be charged to the account named. (See Case 198.)

CASE 228.

Query. What account should be charged with the cost, which is not large, of loading and unloading cinders used in leveling ground around a power plant and car barns?

Answer. Account No. 25, "Buildings and Structures," in the Classification of Operating Expenses of Electric Railways.

CASE 229.

Query. To what account should be charged the cost of switch rods or hooks carried on cars for use in throwing tongue switches?

Answer. Account No. 63, "Miscellaneous Car-Service Expenses," in the Classification of Operating Expenses of Electric Railways.

CASE 230.

Query. What account should be charged with the cost of dry batteries required for telephone instruments?

Answer. If the telephones are used primarily in the operation of cars, the cost of dry batteries required should be charged to account No. 69, "Operation of Telephone and Telegraph Systems." The cost of dry batteries for other telephones should be charged to account No. 79, "Miscellaneous General Expenses." (See Cases 96 and 209.)

CASE 231.

Query. To what account should the cost of rubber bands used by conductors in sorting and bunching tickets lifted be charged?

Answer. Account No. 84, "Stationery and Printing."

CASE 232.

Query. To what account should the printing of cash fare receipts used by conductors be charged?

Answer. Account No. 63, "Miscellaneous Car-Service Expenses."

CASE 233.

Query. To what account should the cost of sleet cutters and sleet-cutter wheels be charged?

Answer. On the assumption that sleet cutters and sleet-cutter wheels are used as substitutes for trolley wheels or as parts of the electric equipment, their cost should be charged to account No. 37, "Electric Equipment of Cars," in the Classification of Expenditures for Road and Equipment of Electric Railways. It is not the intention, however, to require carriers to capitalize insignificant amounts.

The cost of labor of installing and removing the attachments should be charged to account No. 36, "Electric Equipment of Cars," in the Classification of Operating Expenses of Electric Railways.

CASE 234.

Query. What account should be charged with the wages of trainmen operating cars (usually at night) solely for the purpose of keeping sleet cleaned from trolley wires?

Answer. Account No. 12, "Removal of Snow, Ice, and Sand," in the Classification of Operating Expenses of Electric Railways.

CASE 235.

Query. To what account in the Classification of Operating Revenues of Electric Railways should receipts for the transportation of corpses be credited?

Answer. Account No. 1, "Passenger Revenue."

CASE 236.

Query. An electric railway company does repair work for a steam road, rendering a bill for the actual labor and material used and for the service of a motor work car at a certain rate per car-mile. To what account should the amount charged for the service of the work car be credited?

Answer. Revenue account No. 9, "Miscellaneous Transportation Revenue."

CASE 237.

Query. A traction company engaged in construction was sued by a gas company for damages to the latter's pipe line along and across the former's right of way. To what account should the traction company charge the amount of damages awarded and the costs?

Answer. Account No. 2, "Right of Way," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 238.

Query. To what account should the cost of velocipedes and of hand and push cars for use on an electric railway be charged?

Answer. The cost of first installation should be charged to account No. 12, "Roadway Tools," in the Classification of Expenditures for Road and Equipment of Electric Railways. The cost of repairs and renewals should be charged to operating expense account No. 10, "Miscellaneous Roadway and Track Expenses."

CASE 239.

Query. To what account should the cost of unloading carload freight at stations or sidings be charged? This is ordinarily

done by the consignee, but in order to secure the prompt release of cars for further service, an electric railway company sometimes does it at its own expense.

Answer. The cost of such work should be charged to operating expense account No. 64, "Station Employees."

CASE 240.

Query. In cases where repairs are necessitated by the failure of concrete base for ballast, should the cost of tearing up and replacing paving be charged to "Ballast" or to "Paving"?

Answer. The cost of tearing up and replacing paving in connection with such repairs should be charged to account No. 9, "Paving," in the Classification of Operating Expenses of Electric Railways.

CASE 241.

Query. An electric railway company has rented space for its transmission line in another company's subway. To what account should the rent paid be charged?

Answer. Account No. 24, "Miscellaneous Electric Line Expenses," in the Classification of Operating Expenses of Electric Railways.

CASE 242.

Query. What account should be charged with the cost of a stationary crushing plant located in a stone quarry and used by an electric railway in the production of ballast for maintenance?

Answer. Account No. 12, "Roadway Tools," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 243.

Query. What account should be charged with the cost of legal services required in the defense of suits against an electric railway for abutting damages?

Answer. The cost of the legal services should be charged to the account to which the damages awarded would be charged; that is, account No. 2, "Right of Way," in the Classification of Expenditures for Road and Equipment of Electric Railways. If no damages should be awarded, the cost of the legal services required should be charged to the same account.

CASE 244.

Query. What account should be charged with the cost of gage glasses and gage glass preservers?

Answer. The cost of first installation should be charged to account No. 30, "Power-Plant Equipment," in the Classification of Expenditures for Road and Equipment of Electric Railways; and the cost of repairs and replacements to account No. 30, "Power-Plant Equipment," in the Classification of Operating Expenses.

CASE 245.

Query. What account should be credited with the revenue from the transportation of dogs?

Answer. If the dogs are carried in baggage or express cars or compartments, the revenue should be credited to account No. 2, "Baggage Revenue." If they are carried in passenger cars or passenger sections of cars, as on an urban road, the revenue should be credited to account No. 9, "Miscellaneous Transportation Revenue."

CASE 246.

Query. To what account should be charged the expenses of a general manager, whose duties include those of passenger and freight agent, attending traffic associations?

Answer. Account No. 73, "Salaries and Expenses of General Officers," in the Classification of Operating Expenses of Electric Railways.

CASE 247.

Query. What account should be charged for labor unloading coal at carhouses for use in car stoves?

Answer. The cost of unloading should be added to the cost of the fuel. If, however, the work of unloading is done by regular carhouse operating employees it is not necessary to charge a portion of their wages to the cost of the fuel.

CASE 248.

Query. To what account should be charged the cost of labor unloading coal at a power plant?

Answer. The cost of unloading should be added to the cost of the fuel. If, however, the work of unloading is done by regular power-plant operating employees it is not necessary to charge a portion of their wages to the cost of the fuel. (See Cases 79 and 149.)

CASE 249.

Query. A company operating its line with gasoline motor cars has adopted the classifications prescribed for electric railways. What account should be charged with the cost of repairs to engine, transmission, or ignition parts? What account should be charged with the cost of batteries, spark plugs, connecting wire and terminals, electrolyte for storage batteries, etc.?

Answer. The cost of repairs to the motor features of gasoline motor cars should be charged to account No. 34, "Locomotives" (preferably in a subaccount, if approved by the Commission), in the Classification of Operating Expenses of Electric Railways, and the cost of repairs to the car features of such motor cars should be charged to account No. 32, "Passenger and Combination Cars"; account No. 33, "Freight, Express, and Mail Cars"; or account No. 35, "Service Cars," as the case may require.

The cost of repairs or renewals of batteries, spark plugs, connecting wire and terminals, electrolyte for storage batteries, and other appliances for the motive power of such cars should be charged to account No. 34, "Locomotives" (preferably in a subaccount, if approved by the Commission). (*See Case 6.*)

CASE 250.

Query. A practically new car, carried under Equipment in Expenditures for Road and Equipment, was destroyed in a wreck, the salvage amounting to a few hundred dollars. What disposition should be made of the loss and the salvage?

Answer. The accounts under Expenditures for Road and Equipment, to which the cost of the car was originally charged, should be credited with the cost of the equipment destroyed, and this cost, less salvage, should be charged to the appropriate operating expense accounts.

CASE 251.

Query. A city proposes to repave its streets with improved materials, and the street railway company is required by the terms of its franchise to repave its strip at the same time and with the same kind of material. Would it be proper to charge the cost of the new paving to account No. 10, "Paving," in the Classification of Expenditures for Road and Equipment of Electric Railways?

Answer. The excess cost of the new paving over the cost of the original paving should be charged to road and equipment account No. 10, "Paving," and the remainder to operating expense account No. 9, "Paving."

CASE 252.

Query. A street railway line was constructed in unpaved streets, and after the line had been in operation for a number of years, the city decided to pave. To what account should the railway's share of the cost of paving be charged?

Answer. Account No. 10, "Paving," in the Classification of Expenditures for Road and Equipment of Electric Railways. (See Case 138.)

CASE 253.

Query. An electric railway increased its capital stock by \$500,000. Of this increase \$250,000 was authorized and issued for a specified purpose—a 25 per cent stock dividend—but the remaining \$250,000 was not authorized for any specific purpose and was not issued. Should the entry in the general ledger be made to cover more than the \$250,000 authorized and issued?

Answer. No. Capital stock should be considered as issued only when the certificates are signed and sealed and placed with the proper officer for sale or delivery.

CASE 254.

Query. Should any charge be made to account No. 48, "Superintendence of Transportation," for the services of agents and substation men used to some extent in dispatching trains and in delivering dispatchers' orders to train crews?

Answer. No charge should be made to the superintendence account for such incidental services. (See Cases 79 and 149.)

CASE 255.

Query. An electric railway company proposes to furnish electric current for lighting some small towns along its line, also to furnish power for the operation of several manufacturing plants. How should the revenues and expenses be handled?

Answer. If a general light and power business is to be undertaken in connection with the railway business, the several "Other Operations—Cr." accounts in the Classification of Operating Expenses of Electric Railways should be used to exclude from the total of each general account the portion of expenses

that is not applicable to the railway business. The revenues from the light and power business should be kept in an account separate from that of the railway business and the net result should be carried directly to the Income Account. (*See Case 11 and account No. 18 in the Classification of Operating Revenues of Electric Railways.*)

CASE 256.

Query. What accounts should be charged with the cost of applying a new form of coupler to motor cars to be used in connection with trailers?

Answer. Such cost should ordinarily be charged to operating expense account No. 32, "Passenger and Combination Cars;" account No. 33, "Freight, Express, and Mail Cars;" or account No. 35, "Service Cars," according to the class of equipment to which the couplers are applied.

If the couplers applied are heavier or of an improved type, and the cost is considerable, the excess cost of the new couplers over the cost of those removed should be charged to the proper account in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 257.

Query. What account should be charged with the cost of additions to a small plant operated by a railway company to furnish power for lighting in one of the towns on its line?

Answer. The cost of additions to the machinery and equipment of the plant should be charged to account No. 30, "Power-Plant Equipment," and of additions to the building to account No. 24, "Power-Plant Buildings," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 258.

Query. What account should be charged with the cost of cutting trees and removing stumps from the right of way of an electric railway?

Answer. Account No. 4, "Grading," in the Classification of Expenditures for Road and Equipment of Electric Railways.

CASE 259.

Query. Ties are frequently purchased some time in advance of their actual use in track work. Should their cost be charged to

operating expenses in the month in which payment is made or in the month in which they are put in the track?

Answer. The cost of ties should be charged to a material account at the time of purchase. This account should be credited and operating expense account No. 3, "Ties," charged from month to month with the value of the ties put in the track. In order that the cost of renewing ties may be distributed to the 12 months of the year, there would be no objection to charging the operating expense account, "Ties," each month with its proportion of the total amount authorized or approximated for renewals during the fiscal year, regardless of the month in which the actual renewals are made, but the account should be adjusted at the end of the year to the actual expenditures during the year.

CASE 260.

Query. To what account should the cost of temporary grain doors placed in cars used for shipping grain be charged?

Answer. Account No. 63, "Miscellaneous Car-Service Expenses," in the Classification of Operating Expenses of Electric Railways.

CASE 261.

Query. Would it be permissible to create a new account, No. 45, "Stationery and Printing," in the Classification of Expenditures for Road and Equipment of Electric Railways, to include such items as the cost of stationery and printing incident to the raising of a public subscription to the stock of a proposed road?

Answer. The cost of such items should be charged to account No. 44, "Miscellaneous." It would not be proper to establish an additional account, though a subaccount, "Stationery and Printing," might be established under account No. 44, in accordance with the provisions of the last paragraph of the Order of the Commission on page 6 of the Classification.

CASE 262.

Query. In the construction of a street railway it is necessary to team rails from a yard to the street in which they are to be laid. To what account should the cost of such teaming and the cost of unloading the rails in the street be charged?

Answer. Account No. 11, "Track Laying and Surfacing," in the Classification of Expenditures for Road and Equipment of Electric Railways.

INDEX TO CASES BY TOPICS.

A.

	Case.
Accidents. (<i>See Collision, Injuries, Inquest.</i>)	
Accounting system for carriers in Class B and Class C	3, 57
for company doing interstate business.....	27
for railway secondary to lighting and power business.....	36
for road under construction.....	202
Accounts, additions and betterments	26, 39, 219
amusement park.....	39, 189
clearing, use of.....	10, 130, 158
coordinate department.....	11, 36, 41, 42, 59, 71, 214, 255
joint facilities, lack of.....	54
outside operations, reply to query as to.....	8, 36
renumbering of, for carrier's convenience.....	1
subprimary, use of.....	5, 127, 146
temporary or experimental.....	33, 158
undistributed, use of.....	10, 14, 18, 35, 59
unnecessary refinement in.....	24, 115, 132, 148, 160, 171, 233
Accounts receivable, custom labor charges in relation to	38
Additions and betterments, accounts proper for	26, 39, 219
bond issue for, expenses incident to.....	15
expenditures for, on leased lines.....	219
expenditures for, under coordinate department.....	214
material issued for, expenses connected with.....	10
purchasing department expense apportionable to....	34
(<i>See also Construction, Excess cost, Reconstruction.</i>)	
Advertising, items standing in relation to	39, 72, 179
Agents and substation men having miscellaneous duties, wages of	148, 254
Air-brake equipment and wiring for cars	9, 56
Air-compressor stations, conduits from, construction and maintenance of	134
machinery in, maintenance and operation of.....	133
Air-storage tanks in carhouses, maintenance and operation of	17
Amusement park or resort, improvements and maintenance of	39
operating accounts for.....	189
Ashes, removal of, from car to dump	93
Assessment for ditch construction	161
for paving or other street work.....	2, 117, 138, 191, 222
for sewer construction.....	117, 222
made by city on basis of gross earnings.....	120
made by State on basis of capital stock.....	120
Associations, railway, fees and dues to	177
relief, contributions to.....	16
traffic, expenses of general officer attending.....	246
Attachments. (<i>See Car, Locomotives, Poles.</i>)	

	Case.
Audit of company's books by audit company.....	106
Automobiles, expenses and repairs of.....	212
Axles for cars.....	56

B.

Badges for inspectors and car starters.....	106
Baggage matter, apportionment of wages of general office employee handling.....	149
revenue, transportation of dogs as related to.....	245
Bags used for filing canceled tickets.....	168
Balance sheets, inclusion of coordinate departments in railway.....	36, 214
printing of, for express and freight business.....	18
Ballast, accounts proper for cost of produced.....	137
concrete base for, paving expense caused by failure of.....	240
items standing in relation to.....	82, 139
Bank balances, interest earned on	135
Banks, protection of, against high tides.....	50
Batteries for locomotive parts of gasoline motor cars.....	249
for telephones.....	230
Bells and wiring for cars.....	9, 56
Betterments. (<i>See Additions and betterments.</i>)	
Bills of lading, printing of.....	14
Blacksmiths and helpers at track shop, wages of.....	92
Boiler tubes and caps at power stations, apparatus for cleaning.....	167, 185
Bonding, cost of drilling rails for, when merged in cost of rail.....	141
Bonding car, maintenance of.....	218
Bonds, fidelity, of employees, premiums paid by company on.....	106
guaranty, to municipalities under franchise requirement.....	75
interest on, expenses incident to payment of.....	106
issue of, expenses incident to.....	15, 125
validity of, examination of matters affecting.....	118
Books for reference library.....	175
Brackets for supporting trolley wires.....	65, 136
Bridge tenders' wages payable under lease or franchise.....	98
Bridges, catenary, for support of overhead lines.....	65
parts of, accounts proper for.....	155
public, payments for use of.....	37, 98, 225
tools used in repairs and renewals of.....	73
work on, rent and operation of equipment used in.....	130
Brushes, carbon, for cars.....	56
Buildings, construction of, salary of engineer supervising.....	24
maintenance and operation of, when owned or under long-term lease..	55, 61
miscellaneous items standing in relation to.....	76, 97, 171, 172, 228
rents derived from rented parts of.....	55
repairs of, when rented from month to month.....	61
subaccounts for items relating to.....	5, 146
tools used in repairs and renewals of.....	73
Burial expenses of trainman killed by passenger.....	160
Bushings for cars.....	56

C.

Cabins for apparatus at crossing gates.....	156
Cables. (<i>See Wires.</i>)	

	Case.
Camp, grading, cost of.....	190
Canals feeding hydraulic generating plants.....	76
Capital stock, authorized but unissued, in relation to ledger entries.....	253
public subscription to, expense incident to raising.....	261
Car, appurtenances connected with operation of.....	12, 77, 163, 170, 179, 229, 260
attachment parts of.....	7, 9, 56, 67, 77, 145, 163, 169, 256
bonding, maintenance of.....	218
damage of, reparation to another company for.....	180
definition of, as distinguished from electric equipment.....	9, 56
definition of, as distinguished from locomotive.....	66
destruction of, by wreck, loss and salvage from.....	250
electric motive equipment of.....	9, 56, 67, 218, 233
foreign, per diem and maintenance on.....	19
gasoline motor, expenses of.....	6, 249
patterns for castings of parts of.....	99
rent of, belonging to another company.....	186, 188, 199
sprinkling, expenses of and revenue from.....	45
steam motor, maintenance and operation of.....	6
work, charges against operating departments for use of.....	84
work, equipped with machinery, maintenance of.....	20
work, maintenance of, when used in construction.....	186
work, revenue derived from service of.....	33, 84, 236
<i>(See also Equipment.)</i>	
Car barn. <i>(See Carhouse.)</i>	
hours, passenger, definition of.....	58
starters, uniforms and badges for.....	106
Car-service employees, wage items standing in relation to.....	84, 98, 113
expenses, miscellaneous items standing in relation to.....	12,
14, 17, 56, 77, 93, 106, 133, 163, 166, 170, 174, 179, 194, 229, 232, 260	
Carbon brushes for cars.....	56
Carbons for headlights.....	56, 163
Carhouse, air tanks in, maintenance and operation of.....	17
clerks employed at, wages of.....	21
employees at, labor of, for removal of car ashes.....	93
general office occupying portion of.....	143
labor used at, for handling cinders used in leveling ground.....	228
labor used at, for unloading coal used in car stoves.....	247
power used in.....	33
rent paid for land used as location for.....	13
track foundation at pit in.....	213
Cartage of freight when included in through rates.....	178, 187
of rails from yard to point where used in construction.....	262
of scrap material delivered to purchaser.....	196
<i>(See also Hauling.)</i>	
Cash fare receipts, printing of.....	232
Cashiers in express offices, wages of.....	4
Catch basins, construction of, under franchise requirement.....	60
repairing or replacing of.....	206
Cattle passes in the nature of undergrade crossings.....	122
Certificates of bonds issued for construction or betterments, printing of.....	15
Certification of bonds issued for construction, payment to trustees for.....	125

	Case.
Cinders used in leveling grounds, handling of.....	228
Circuit-breaker attendant acting as station agent, salary of.....	148
City. (<i>See Municipalities.</i>)	
Claims, loss and damage, reserve fund to meet settlements of.....	109
Classifications issued for carriers, use of.....	1, 3, 8, 26, 27, 34, 57
Cleaning boiler tubes and caps at power stations, apparatus for.....	167, 185
conduit under track.....	28
scrap material sold under contract.....	196
track, items standing in relation to.....	28, 40, 45
trolley wires from sleet.....	234
Clearance, moving of poles of another company to secure.....	110
Clearing accounts, permissible use of.....	10, 130, 158
Clerks employed in compiling data and making reports, salaries of.....	111
in carhouses, wages of.....	21
in express offices, wages of.....	4
in general office handling department accounts, salaries of.....	94
in general office, salaries of, apportionable to coordinate department.....	42
Clock, electric, at dispatcher's office, cost of service of.....	184
Coal for car stoves, unloading of, at carhouses.....	247
for power house use after beginning operation.....	203
for track shop.....	92
unloading of, at power plant.....	248
(<i>See also Fuel.</i>)	
Coal pocket, cost of.....	144
Coal trestle used to reach coal pocket.....	140
Collision, reparation to another company for car damaged by.....	180
Commissions for sale of tickets at stores along line.....	22
to trustees for paying out bond interest.....	106
Company material, charges against division accounts for carrying.....	201
Compressed-air apparatus for charging car tanks.....	17, 133, 134
Concrete base for ballast, paving expense caused by failure of.....	240
mixer, maintenance of car and machinery used as.....	20
track foundation at pit in carhouse or yard.....	213
Conductors, orders for, printing of.....	80
remittances from, loss by theft of.....	142
shortages of, relief granted for.....	221
supplies for.....	23, 231, 232
uniforms donated to.....	106
wages of, when in construction service.....	84
wages of, when injured while on duty.....	74, 150, 151
(<i>See also Trainmen.</i>)	
Conduits from compressor station, construction and maintenance of.....	134
under track, cleaning of.....	28
(<i>See also Pipe.</i>)	
Construction, accounting system for road under.....	202
accounts for, clearing of.....	130
bond issue for, expenses incident to.....	15, 125
cartage of rails used in.....	262
coal purchased during, for use later in operation.....	208
damages and costs growing out of acts during.....	237
employees incidentally serving in, wages of.....	84

	Case.
Construction, engineer in charge of, salary and expenses of.....	24
equipment of an operating road assigned to service in, expense of..	84
equipment rented for service in, maintenance and operation of.....	186
equipment used in, rent of, accruing during idle periods.....	186
guaranty bonds carried in connection with, premiums for.....	75
hauling of track material from storeroom to point of.....	154
insurance carried in connection with, premiums on.....	193
interest on loans secured for.....	53
material issued from store for, expenses connected with.....	10
power furnished for.....	33, 84
purchasing department expense apportionable to.....	34
revenue derived from use of cars in.....	33, 84
shop service apportionable to.....	31
sprinkling expense incident to.....	40
storage land rent apportionable to.....	51
street improvement incident to.....	2, 116, 152, 191, 224
tools used in, cost and disposal of.....	104, 195
underground, expense connected with.....	153
wagons incidentally used in, apportionable expenses of.....	30
(See also Additions and betterments, Reconstruction.)	
Contacts for connection with electric track switch, repair of	47
Contractor, charges against, for use of equipment.....	84
payments to, for street improvement work.....	191
Contributions. (See Donations.)	
Coordinate departments, additions made for benefit of.....	214, 257
expenses of.....	11, 36, 41, 42, 59, 255
revenues of.....	71, 255
Coroner's inquest, fees of witnesses and others at.....	226
Corpses, receipts for transportation of.....	235
Couplers for motor cars, installation of.....	256
Coupons from mileage books remaining unrepresented.....	108
Crossings, cabins or towers for gate apparatus at.....	156
highway, crosswalks at	46
steam road, planks used in.....	89
steam road, wages of levermen of derailleurs at.....	91
street, city assessment for.....	117
street, installation of, when new streets are opened.....	117
undergrade, cattle passes in nature of.....	122
Crossovers made to order.....	25
Crosswalks adjusted in widening street under franchise requirement	60
at new or improved highway crossings.....	46
incident to paving.....	46
incident to track construction.....	191
Crucibles used in connection with welding machine.....	73
Crushed stone filling for track.....	83
Crushing plant. (See Stone crusher.)	
Culverts, iron-pipe, for drainage purposes.....	123
Curbs, initial cost of, installed under municipal requirement	191
moving of, under franchise or other requirement.....	60, 116, 224
Current, electric. (See Power.)	
Curves, guard rails at.....	100
rails for, as related to special work.....	25

	Case.
Custom labor, costs and profit connected with.....	38
department expense covered in charges for.....	31, 38

D.

Dam for water supply of hydraulic generating plant.....	76
of power station condensers.....	126
Damage, claims of loss and, reserve fund to meet settlements of.....	109
from floods, creation of reserve fund to meet deferred repairs of.....	197
to car of another company, reparation for.....	180
Damages, award of, for abutting damages.....	243
for damage done during construction.....	237
for ejectment of passenger.....	210
Deductions from income, items standing in relation to.....	32, 95, 120, 225
Delays in schedules, time lost by cars through.....	58
Department expense covered in charges for custom labor.....	31, 38
Deposits, bank, interest earned on.....	135
Depot. (<i>See Stations.</i>)	
Depreciation, accounts for, use of.....	52, 215
distribution of, by charges against departments.....	84
rates of.....	215
Derailers at steam road crossings, wages of levermen at.....	91
Directors, fees paid to.....	128
Discount for prompt payment of bills for material.....	216
in connection with operations.....	29
Dispatcher's office, services of electric clock at.....	184
Dispatching cars, services for another carrier in connection with.....	54
trains, incidental services of employees in.....	184, 254
Distribution system, items standing in relation to.....	65, 220
subaccounts relating to.....	5
tools used in maintenance of.....	73
Ditch, construction of, expense caused by remonstrance against.....	173
highway, assessment for.....	161
right-of-way, repair of.....	162
roadbed or waterway, cost of.....	161
Dogs, revenue derived from transportation of.....	245
Donations of entertainments to employees.....	106
of uniforms to long-service employees.....	106
to employees while under disabilities.....	16
to funds for entertaining conventions.....	72
to relief department or association.....	16
Drain tiles for repair of right-of-way ditches.....	162
Drainage. (<i>See Catch basins, Culverts, Ditch, Inlets, Sewer, Water.</i>)	
Drilling of rails for bonding, cost of, when merged in rail cost.....	141
Dues to railway associations.....	177
Dump, removal of car ashes to.....	93

E.

Ejectment of passenger, damages award for.....	210
Electric current. (<i>See Power.</i>)	
equipment of cars, definition of.....	9, 56, 218
equipment of cars, items standing in relation to.....	19, 20, 56, 67, 218, 233
equipment of locomotives, items standing in relation to.....	56

	Case.
Electric-line expenses, items standing in relation to.....	32, 40, 73, 101, 158, 241
Electrolyte for gasoline-motor motive equipment.....	249
Elevated lines, apportionment of lighting expense between subway and	158
railway, structural parts of.	155
Employees, badges and uniforms for.....	106
donations to, while unable to work.....	16
fidelity bonds of, premium paid on.....	106
free entertainments given for.....	106
meals furnished for.....	190, 194
relief extended to, for shortages.....	221
wages and salaries of. (<i>See Commissions, Labor, Salary, Wages.</i>)	
Engineering corporation, fees paid to, for supervision and management.....	119
Engineers engaged in compiling data for reports, salaries of.....	111
in charge of construction, salaries and expenses of.....	24
of power plant, wages of, apportionable to repair accounts.....	79
Entertainments to employees.....	106
Envelopes for filing canceled tickets.....	168
Equipment, contractor's use of, charges for.....	84
insurance on, while under construction.....	198
leased line, additions and betterments of.....	219
rail, items standing in relation to.....	145, 160, 195
rent and maintenance of, when used in construction.....	186
rent and operation of, when used in bridge and track work.....	130
rent of, items standing in relation to.....	19, 64, 188, 199
rent received from lease of track and, to steam road.....	200
(<i>See also Car, Locomotives.</i>)	
Excess cost of couplers replacing others removed.....	256
of repaving street with improved material.....	251
Expense bills, printing of.....	18
Express business, printing and stationery for.....	18
matter, apportionment of wages of general office employee handling.....	140
offices, wages of clerks and cashiers in.....	4
service, revenue derived from.....	131, 217
Extinguishers, fire, installation and renewing of.....	100, 170

F.

Fare receipts used by conductors, printing of.....	232
registers, rents paid for.....	12
Fares, division of, with another carrier under agreement.....	65
Feeder lines installed for lighting and power business.....	214
Fees for filing annual reports with State.....	106
to directors.....	128
to engineering corporation for supervision and management.....	119
to railway association.....	177
to trustees and registrars in connection with interest payment.....	106
to witnesses and others at coroner's inquest connected with accident.....	226
Fences. (<i>See Snow fences.</i>)	
Ferry expenses, carrier's accounts covering.....	103
slips and fuel-oil tanks, maintenance of.....	102
Fidelity bonds, employees' payments of premiums on.....	106
Filing bags and envelopes for canceled tickets.....	168

	Case.
Filling of dirt road to head of rail.....	139
of land.....	114
of track to top of rail with crushed stone.....	82
<i>(See also Leveling.)</i>	
Fire extinguishers, installation and renewing of.....	169, 170
hose, installation and renewing of.....	171, 172
Flood water, damages to road by, creation of reserve fund to repair	197
removal of, from tracks.....	87
Foot walks of elevated railway.....	155
Franchise requirements, assessment under, on basis of gross earnings.....	120
electric lights installed under.....	97
guaranty bonds furnished municipality under.....	75
maintenance and operation of bridge under.....	98
payments made under, based on gross receipts.....	95
repaving done under.....	251
widening street under.....	60, 116
Freight cartage included in rates.....	178, 187
charges found uncollectible.....	204
charges on company material.....	201
charges on scrap material delivered to purchaser.....	196
unloading at company expense to release cars.....	239
Fuel coal. <i>(See Coal.)</i>	
used with steam and gasoline equipment.....	6
oil tanks on wharf, maintenance of.....	102
Funds. <i>(See Reserve fund.)</i>	
Fuse blocks and fuses for maintenance of switch lights.....	181

G.

Gage glasses and preservers.....	244
Garage expenses.....	212
Gasoline for automobiles.....	212
Gasoline motor cars, operation of.....	6
repairs and renewals of.....	6, 249
Gate apparatus at crossings, cabins or towers for.....	156
General expenses, apportionment of, to lighting department.....	42
miscellaneous items standing in relation to.....	16,
75, 96, 106, 128, 142, 175, 176, 177, 209, 230	
General office clerks, salaries and expenses of, items related to.....	111
clerks on department accounts, salaries and expenses of.....	94
cost when occupying part of carhouse.....	143
employee with miscellaneous duties, wages of.....	149
repairs when occupying rented offices.....	63
General officers, automobiles used by.....	212
salaries and expenses of, items related to.....	119, 246
Generating plant, hydraulic, water-supply system for.....	76
Glass for front of headlights.....	163
Globes for headlights.....	163
Government bridge, payment for operating rights over.....	37
reservation, payment for right to operate across.....	112
Grade of street, assessment by city for.....	117
change in, at expense of carrier.....	224

	Case.
Grading, items standing in relation to.....	50, 161, 258
tools used in.....	190, 195
Grading camp, equipment of.....	190
Grain doors in cars, temporary.....	260
Gross earnings or receipts, payments to city based upon.....	95, 120
Grubbing tools for removal of weeds.....	86
Guaranty bonds furnished under franchise requirement, premiums for.....	75
Guard rails at plain curves or in connection with special work.....	100
of timber work on elevated railways.....	155
Gutters, installation of, in connection with street improvement.....	191

H.

Hand cars, installation of, and repairs and renewals.....	238
Harps for cars.....	56
Hat checks furnished trainmen.....	166
Hauling track material from storeroom to point of construction.....	154
Headlights for cars.....	67
parts and supplies for.....	56, 163
Heaters, electric, for cars.....	7, 9, 56
Highway, operation rights on, payment for.....	32, 112
sprinkling of, revenue derived from.....	45
<i>(See also Road, Street.)</i>	
Hose, fire, installation of, and renewing or replacing.....	171, 172
Houses. <i>(See Cabins, Carhouse, Terminal house.)</i>	
Hydrants, adjustment of, in widening street under franchise requirement.....	60
Hydraulic generating plant, water supply system for.....	76

I.

Idle time. <i>(See Time.)</i>	
Improvements. <i>(See Additions and betterments.)</i>	
Incandescent lamps for maintenance of switch lights.....	181
Income account, items standing in relation to.....	29, 42, 71, 95, 120, 129, 135, 200, 255
Injuries, expenses connected with, use of undistributed account for.....	35
items standing in relation to.....	160, 226
time lost through, wages paid during.....	16, 74, 150, 151
Inlets and sewer connections for surface water.....	105
Inquest, fees of witnesses and others at.....	226
Insignificant amounts, apportionment of.....	24, 115, 132, 148, 160, 171, 233
Inspectors, uniforms and badges for.....	106
Insurance, premiums on fidelity bonds as related to.....	106
premiums paid for, during construction.....	193
Interest earned on bank balances.....	135
in connection with operations.....	29
paid or accrued during construction.....	53
Interlocking system, tools used in maintenance of.....	73
towers containing machinery of.....	157

J.

Janitor at general office with miscellaneous duties, apportionment of wages of....	140
Joint facilities, revenue derived in connection with.....	54
Joints used in connection with special work.....	25

L.

Labor for clearing track.....	86, 87, 164, 206
for construction of cross walks.....	46

	Case.
Labor for handling company material.....	85, 154, 247, 248, 262
for installation or maintenance of switch apparatus.....	47, 132, 182
for protecting roadway banks.....	50
for removing car ashes to dump.....	93
for repairing and renewing electric lights.....	97
for repairing or replacing catch basins.....	208
for sprinkling streets.....	105
for underground construction.....	189
for unloading freight to release cars.....	230
for work done for outside parties.....	38
Lamps, electric. (See <i>Lighting</i>.)	
Land, cost of filling.....	114
expense in connection with leveling.....	228
for carhouse, rent of	13
for pole line, rent of.....	32
for shops and power houses, cost of acquiring.....	192
for snow fences, rent of.....	150
for stations and terminal grounds, cost of acquiring.....	192
for storage of track material, apportionment of rent of.....	51
for Y or switch, rent of.....	48
titles to, examination of, in connection with bond issue.....	118
Law expenses, construction account for, disposal of.....	130
items standing in relation to.....	160, 173
Lease of property to steam road, rent derived from.....	200
Leased lines, additions and betterments of.....	219
Legal services in defense of suit for abutting damages.....	243
Leveling of ground around buildings, handling of cinders used for.....	228
Levermen on derailleurs at steam road crossings, wages of.....	91
Library, books purchased for.....	175
License tax for operation rights in cities.....	95, 120
Lighting, electric, at stations.....	97
at stopping points along line, power purchased for.....	198
for avoidance of accidents.....	97
for carhouse, power furnished for, segregation of.....	33
for cars, apparatus used in.....	9, 56
for cars and car barns, power purchased partly for.....	227
for elevated and subway lines, clearing account for.....	158
for switches.....	132, 181, 182
installed under franchise agreements.....	97
Lighting business. (See <i>Coordinate departments</i>.)	
Linemen, expenses and repairs of automobiles for.....	212
Locomotive features of gasoline motor cars, maintenance of.....	249
Locomotives, electric, definition of, as distinguished from car.....	6
items standing in relation to.....	9, 56, 145, 163, 169, 249
steam, maintenance and operation of.....	6
steam, rent and operation of, when used in construction	186
Loss and damage, reserve fund to meet settlements for claims of.....	109
of business due to interruption of traffic, reparation received for.....	124
through destruction of car by wreck.....	260
through theft of conductor's remittances.....	142
through uncollectible freight charges	204

	Case.
Lubricants for automobiles.....	212
for steam and gasoline motor equipment.....	6

M.

Macadam surface of road, cost of laying.....	139
of streets, repairs to.....	81
Machinery for charging air tanks for air brakes.....	17, 133
for crossing gates, cabins or towers containing.....	156
for grading during construction.....	195
for interlockers, towers containing.....	157
for welding, crucibles used in connection with.....	73
in power plant, additions to, for coordinate departments.....	214, 257
in power plant, salary of engineer supervising installation of.....	24
in power station for grinding and cleaning boiler-tube caps.....	185
in quarry for producing ballast.....	242
mounted on cars.....	20, 195
Mail transfer from cars to post-office.....	83
Maintenance accounts, charges against, for departmental use of work cars.....	84
charges against, to effect distribution of power.....	33, 84
salaries of general office clerks handling.....	94
wages apportionable to, for time on repair work.....	79
wagon expense apportionable between construction and.....	30
Maintenance of air-storage apparatus.....	17, 133, 134
of bracket and appurtenant wire supporting trolley.....	136
of bridge held under long-term lease or franchise.....	98
of building owned and partly occupied by carrier.....	55
of equipment.....	20, 45, 56, 218
of equipment belonging to another carrier.....	19, 186
of ferry slips and fuel oil tanks.....	102
of free private park.....	39
of lighting for subway and elevated lines, segregation of.....	158
of machinery mounted on cars.....	20
of paving.....	2, 40
of switch lights at sidings.....	181, 182
of tools used for general purposes.....	73
of track.....	28, 40, 82, 92
of track drainage.....	87
of water-supply system for hydraulic generating plant.....	76
of way and structures, tools used in.....	73
<i>(See also Renewals, Repairs.)</i>	
Management, fees paid engineering corporation for supervision and.....	119
Manure, receipts from sale of.....	44
Material, company, freight charges against divisional accounts for.....	201
construction, insurance carried on.....	193
discounts on bills for.....	216
expenses connected with, apportionment of.....	10, 51
expenses connected with, disposition of, relative to labor.....	47, 50, 86, 97, 153
first handling of, from cars or boats.....	85
hauling of, to point of use in construction.....	154
purchase of, in advance of use.....	203, 259
sales of, profits derived from.....	88
unloading of, at point of use.....	85

	Case.
Meals to laborers at grading camp, equipment for furnishing.....	190
to trainmen on rush days.....	194
Mileage books, receipts from sale of.....	70
unpresented coupons of.....	108
Milk checks for carrying milk, printing of.....	174
Miscellaneous income, items standing in relation to.....	38, 71, 200
Motive appliances of gasoline motor cars.....	6, 249
equipment of car, as distinguished from car proper.....	9, 56
Motormen, orders for, printing of.....	80
uniforms donated to.....	106
<i>(See also Trainmen.)</i>	
Motors installed for customers of lighting business.....	220
of air-brake equipment of cars.....	9
Municipalities, assessment by, as franchise or license tax.....	95, 120
assessments by, for street or sewer work.....	117, 138, 191, 222
guaranty bonds furnished to, under franchise.....	75
payment to, for operation rights.....	32, 95, 225
payment to, for permit to open pavement.....	205
receipts from, for sprinkling car service.....	45
revenue percentage paid to, under franchise.....	95
street improvements required by.....	60, 116, 138, 191, 224, 251, 253
N.	
Newspapers, receipts from transportation of.....	217
Numbers of accounts, readjustment of, for carrier's convenience.....	1
of poles, painting or stenciling of.....	115
O.	
Office, dispatcher's, clock service for.....	184
general, cost of, when occupying part of carhouse.....	143
general, repairs to rented.....	63
operating officers', telephone service for.....	209
Officers, automobiles for, expenses of.....	212
salaries and expenses of, items standing related to.....	119, 246
Oil. <i>(See Lubricants.)</i>	
Oil tanks for fuel oil used by ferry, maintenance of.....	102
Operation, interruption of, reparation for loss caused by.....	124
of cars for purpose of cleaning sleet from wires.....	234
of cars of another company on carrier's line.....	64, 207, 208
of park or amusement resort, net receipts from.....	289
of rented equipment used in construction.....	130, 186
of steam and gasoline motor equipment.....	6
on government property, payment for right of.....	37, 112
on private property, payment for right of.....	32
on public highways and bridges, payment for right of.....	32, 98, 225
within city, payment for right of.....	95, 120
Orders for conductors and motormen, printing of.....	80
Ordinances, city, expense due to requirements of.....	101, 138, 191
Other operations, use of accounts covering.....	11, 36, 41, 42, 59, 255
Outside operations, classifications for, lack of.....	8, 36
electric motors owned in connection with.....	220

	Case.
Overhead contacts for connection with electric switch, repair of.....	47
lines, structures and fixtures for support of.....	65
system, pit for change between underground and.....	213
system, terminal house for change between underground and.....	147
wires, cutting of, to permit moving of buildings in street.....	101

P.

Packing of scrap material for shipment to purchaser.....	196
Painting or stenciling of numbers on poles.....	115
Park, improvements and maintenance of.....	39
operation accounts for.....	189
Passenger car hours, definition of.....	58
Passenger receipts' division of, with another carrier under agreement.....	64
revenue, items standing in relation to.....	70, 108, 221, 235
Patterns for castings.....	99
Paving, assessments for construction or maintenance of.....	2, 191, 222
incident to track construction.....	2, 191
macadamizing as related to.....	81, 139
miscellaneous items standing in relation to.....	46, 105
of bridge used under long-term lease or franchise.....	98
of street widened under franchise requirement.....	60, 116
on street not previously paved.....	117, 138, 191, 262
replacing of, after construction or repair work.....	152, 205, 240
replacing of, with improved material.....	251
Per diem on foreign cars.....	19
Periodicals, subscriptions to.....	176
Pile driver mounted on car, maintenance of.....	20
used in bridge and track work, rent and operation of.....	130
Pilots directing operation of cars, wages of.....	207, 208
Pipe culverts for drainage.....	123
lines conveying water to power station condensers.....	126
lines feeding hydraulic generating plant.....	76
Pit for change between underground and overhead systems.....	213
in carhouse, concrete foundation for track at.....	213
in yard, concrete foundation for track at.....	213
Planks used in steam road crossings.....	89
Plugs for spike holes in ties.....	90
Pole line, installation of, for lighting and power business.....	214
readjustment of, in widening street under franchise requirement.....	60
readjustment of, to secure proper clearance for cars.....	110
rent of land used as right of way for.....	32
Poles, brackets and wires of, for support of overhead lines.....	65, 136
numbers on, painting and stenciling of.....	115
payments to another company for privilege of attachments to.....	49
revenue derived from attachments to, by another company.....	49, 68
trolley car.....	56
Power apportionable to construction.....	33
apportionable to coordinate departments.....	11, 36, 42
purchased, accounts covering, proper use of.....	11, 43, 227
purchased, apportionment of payments covering use of cars and.....	199
purchased for lighting at stopping points along line.....	198
superintendence, salary of officer employed in.....	127

	Case.
Power used at shops or carhouses, temporary accounts for	33
used by operating departments, distribution of	33, 84
Power-plant buildings, items standing in relation to	126, 140, 144
equipment, items standing in relation to	167, 169, 185, 244
supplies and expenses, items standing in relation to	6, 170
Power station, boiler tubes and caps at, apparatus for cleaning	167, 185
buildings of, additions to, for lighting business	257
coal for, unloading of	248
coal pocket for	140, 144
employees at, wages of, when incidentally making repairs	79
employees at, wages of, when unloading coal	248
fire extinguishers in, installation and renewing of	169, 170
ground around, handling of cinders for leveling	228
land acquired for	192
machinery in, added for use of coordinate departments	214, 257
machinery in, salary of engineer supervising installation of	24
water-supply system for condensers in	126
Premiums. (<i>See Fidelity bonds, Guaranty bonds, Insurance.</i>)	
Printing incident to bond issue for construction or betterments	15
incident to express and freight business	18
incident to raising public subscription to stock	261
of cash fare receipts	232
of conductors' reports and shortage notices	23
of milk checks for carrying milk	174
of orders for conductors and motormen	80
of tariffs	80
used by clerks connected with superintendence	18
(<i>See also Stationery.</i>)	
Profit and loss, uncollectible freight charges as related to	204
from custom labor	38
from sales of material	38
Pumps of air-brake apparatus, repairs and renewals of	9
Purchasing department expenses apportionable to construction	34
Push cars, installation of, and repairs and renewals	238

R.

Railing along elevated railway tracks	155
Rails, cartage of, from yard to point of use	262
drilling of, for bonding, cost of, when merged in rail cost	141
used in connection with special work	25
used on elevated railway structures	155
(<i>See also Guard rails.</i>)	
Rate sheets, printing of	14
Reconstruction of road purchased	211
Registers, fare, rent paid for	12
Registrars' fees in connection with paying out bond interest	106
Relief department, operation of and contributions to	16
Renewals of electric lights and wiring	97
of equipment parts and attachments	7, 9, 145
of fire extinguishers	170
of fire hose	172
of hand and push cars and of velocipedes	238

	Case.
Renewals of motive appliances for gasoline motor car.....	249
of paving.....	2, 152
of pole numbers.....	115
of tools used in maintenance and for general purposes.....	73
Rent derived from attachments to poles by another company.....	49, 68
derived from lease of dummy freight line to steam road.....	200
derived from offices in carrier's building.....	55
for use of private property under operation rights.....	32
of equipment, items standing in relation to.....	19, 64, 188, 199
of equipment used in bridge and track work.....	130
of equipment used in construction.....	186
of fare registers used on cars.....	12
of land for location of carhouse.....	13
of land for location of pole-line right of way.....	32
of land for location of snow fences.....	150
of land for location of Y or switch.....	48
of land for storage of track material used partly in construction.....	51
of leased lines, amortizement of expenditures embraced in.....	219
of subway space occupied by transmission line.....	241
of telephone lines.....	96, 209
of tracks and terminals, items standing in relation to.....	54, 208
Rented buildings and offices, repairs of.....	61
equipment, expenses connected with.....	130, 186
waiting room, repairs to.....	62
Renumbering of primary accounts for carrier's convenience.....	1
Repair wagon expenses apportionable to construction.....	30
Repairs by power-plant employees, wages apportionable to.....	79
for steam road, revenue derived from.....	236
of automobiles.....	212
of buildings owned or held under long-term lease.....	61
of buildings rented from month to month.....	61
of catch basins for drainage.....	206
of damage by floods, creation of reserve fund to meet.....	197
of damage to car of another company, payment to meet.....	180
of electric lights and wiring.....	97
of electric switch apparatus.....	47
of equipment.....	6, 45, 99, 186, 249
of equipment attachments.....	145
of equipment parts.....	7, 9, 99, 163
of gasoline motor cars.....	6, 249
of hand and push cars and of velocipedes.....	238
of offices rented by carrier.....	63
of paving.....	2, 40, 81, 205, 240
of power-plant equipment.....	167, 185
of right-of-way ditches.....	162
of steam equipment.....	6
of terminal houses for change from overhead lines.....	147
of tools used in maintenance or for general purposes.....	73
of track, expenses incident to.....	40, 205, 240
of waiting rooms rented by carrier.....	62
Repaving. (<i>See Paving.</i>)	

	Case.
Power used at shops or carhouses, temporary accounts for	22
used by operating departments, distribution of.....	31,84
Power-plant buildings, items standing in relation to.....	126,140,144
equipment, items standing in relation to.....	167,169,185,244
supplies and expenses, items standing in relation to.....	6,170
Power station, boiler tubes and caps at, apparatus for cleaning.....	167,185
buildings of, additions to, for lighting business.....	257
coal for, unloading of.....	240
coal pocket for.....	140,144
employees at, wages of, when incidentally making repairs.....	79
employees at, wages of, when unloading coal.....	248
fire extinguishers in, installation and renewing of.....	169,170
ground around, handling of cinders for leveling.....	238
land acquired for.....	192
machinery in, added for use of coordinate departments.....	214,257
machinery in, salary of engineer supervising installation of.....	34
water-supply system for condensers in.....	126
Premiums. (See Fidelity bonds, Guaranty bonds, Insurance.)	
Printing incident to bond issue for construction or betterments.....	15
incident to express and freight business.....	18
incident to raising public subscription to stock.....	261
of cash fare receipts.....	222
of conductors' reports and shortage notices.....	23
of milk checks for carrying milk.....	174
of orders for conductors and motormen.....	80
of tariffs.....	80
used by clerks connected with superintendence.....	18
(See also Stationery.)	
Profit and loss, uncollectible freight charges as related to.....	204
from custom labor.....	26
from sales of material.....	30
Pumps of air-brake apparatus, repairs and renewals of.....	9
Purchasing department expenses apportionable to construction.....	34
Push cars, installation of, and repairs and renew.....	236

R.

Rating
 Rate, of
 of
 of
 of
 of
 Rate also
 Receipts
 Repairs
 Repairs
 Relief of
 Renewal

	Case.
Renewals of motive appliances for gasoline motor car.....	249
of paving.....	2,152
of pole numbers.....	115
of tools used in maintenance and for general purposes...	73
Rent derived from attachments to poles by another company.....	49,68
derived from lease of dummy freight line to steam road.....	200
derived from offices in carrier's building.....	55
for use of private property under operation rights.....	32
of equipment, items standing in relation to.....	19,64,188,190
of equipment used in bridge and track work.....	130
of equipment used in construction.....	186
of fare registers used on cars.....	12
of land for location of carhouse.....	13
of land for location of pole-line right of way.....	32
of land for location of snow fences.....	159
of land for location of Y or switch.....	48
of land for storage of track material used partly in construction.....	51
of leased lines, amortissement of expenditures embraced in.....	219
of subway space occupied by transmission line.....	241
of telephone lines.....	96,200
of tracks and terminals, items standing in relation to.....	54,208
Rented buildings and offices, repairs of.....	61
equipment, expenses connected with.....	130,186
waiting room, repairs to.....	62
Reopening of primary accounts for carrier's convenience.....	1
Repair wagon expenses apportionable to construction.....	30
Repairs by power-plant employees, wages apportionable to.....	79
for steam road, revenue derived from.....	236
of automobiles.....	212
of buildings owned or held under long-term lease.....	61
of buildings rented from month to month.....	61
of catch basins for drainage.....	206
of damage by floods, creation of reserve fund to meet.....	197
	180
	97
	47
	45,99,186,249
	146
	7,9,99,163
	6,249
	238
	63
	40,81,206,240
	167,186
	163
	9
	147
	73
	40,206,240
	62

	Case.
Replacing of catch basins.....	206
of fire hose.....	172
of paving.....	152, 205, 240
of power-plant equipment.....	167, 185
Reports, fees for filing of, with State.....	106
salaries of clerks and engineers engaged in making out.....	111
Reseating machines at power stations.....	185
Reservation, government, payment for operation rights on.....	112
Reserve fund to cover repairs of damage by floods.....	197
to meet settlements of loss and damage claims.....	109
Reservoirs for feeder system of hydraulic generating plant.....	76
Resort. (<i>See Park.</i>)	
Retaining wall for protection of banks against tides.....	50
Revenue, baggage, transportation of dogs as related to.....	245
express.....	131, 217
freight, cartage expense as related to.....	178, 187
freight, charges on company material as related to.....	201
lighting department.....	71, 255
park or amusement resort.....	189
passenger, conductors' shortages as related to.....	221
passenger, miscellaneous items standing related to.....	108, 235
sales.....	38, 196
transportation, items standing in relation to.....	33, 45, 84, 124, 236, 245
(<i>See also Rent.</i>)	
Right of way, items standing in relation to.....	60, 110, 116, 117, 161, 222, 224, 237, 243
pole line, rent paid for.....	32
Road and equipment, additions and betterments made to leased.....	219
miscellaneous items under.....	15, 51, 75, 118, 125, 193, 261
rent derived from lease of.....	200
Road, macadamizing, or filling to head of rail.....	139
(<i>See also Highway, Street.</i>)	
Road purchased, expenditures for reconstruction of.....	211
Roadway and track expenses, items standing in relation to..	50, 73, 86, 87, 92, 162, 206, 238
and track labor, items standing in relation to..	47, 50, 82, 86, 87, 92, 162, 164, 206
tools, items standing in relation to.....	195, 238, 242
Rubber bands used by conductors.....	231

S.

Salary of clerks compiling data for reports.....	111
of clerks in general office handling department accounts.....	94
of employees at garage in charge of automobiles.....	212
of engineer supervising construction and machinery installation.....	24
of engineers compiling data for reports.....	111
of purchasing agent and assistants apportionable to construction.....	34
of superintendent of power.....	127
(<i>See also Wages.</i>)	
Sale of manure from stables.....	44
of material from store.....	38
of scrap material.....	196
of steam shovel after use in construction.....	196

	Case.
Sales account, net revenue from	38
Salvage amount from car destroyed by wreck	250
value of tools at completion of construction	104
Scale cleaners. (<i>See Boiler tubes.</i>)	
Scales, portable and stationary, in storeroom, installation of	183
Scrap material, preparation and delivery of, to purchaser	196
Service cars. (<i>See Car.</i>)	
Sewer assessment by city	117, 222
connections installed in widening street under franchise	60
connections of track inlets for surface water	105
tile for repair of right-of-way ditches	162
Shippers' loss and damage claims, reserve fund to meet settlements of	109
Shop equipment, miscellaneous items standing in relation to	134, 183
expenses, distribution of, to accounts affected	107
land, cost of acquiring	192
machinery and tools, items standing in relation to	17, 133, 134
motors, distribution of power used by	33
service chargeable to outside parties or to construction	31, 38
Shortage notices, printing and furnishing	23
Shortages of conductors, relief granted for	221
Sidewalks, adjustment of, in widening street under franchise	60, 116
installation of, in connection with street improvement	191
Signal and interlocking systems, items standing in relation to	73, 91, 157
Signs, fixed, for showing destination of cars	77
portable, for attracting traffic	179
portable, for guidance of passengers	77, 179
Sleet, attachment for cleaning wires from	233
trainmen engaged in cleaning wires from, wages of	234
Slips, ferry, maintenance of	102
Snow, removal of, items standing in relation to	78, 88, 159, 234
Snow fences, installation and building of	159
placing and removal of	88, 159
rent of ground for	159
Snow plows, installation of, and repairs and renewals	145
Spark plugs for motive features of gasoline motor cars	249
Special work, material classifiable as	25, 100
repair of overhead contacts as related to	47
Springs for cars	56
Sprinkling of roadway and track on street	40
of street in front of stations	165
of street when incident to track work or paving	40
of street, receipts from city for	45
Sprinkling car, operation and maintenance of	45
devices for removing weeds	86
Stable expenses, apportionment of, to accounts affected	59
items standing in relation to	30, 44, 212
Station agent, substation agent acting as, apportionment of wages of	148
wages of, apportionable to superintendence	254
Station employees, items standing in relation to	4, 22, 165, 239
Stations, electric lamps and wiring at, repairs and renewals of	97
land acquired for	192

	Case.
Stations, paving and other street work in connection with	191
sprinkling in front of.....	165
telephones located in, tolls and rents for.....	209
<i>(See also Waiting rooms.)</i>	
Stationery expenses, distribution of, to accounts affected	14, 18
incident to raising public subscription to stock.....	261
miscellaneous items standing in relation to.....	23, 80, 108, 231
used by superintendence clerks.....	18
used in connection with operation of cars.....	14
used in handling express and freight business.....	18
<i>(See also Printing.)</i>	
Steam equipment, operation and maintenance of	6, 186
rent paid for.....	186
Steam road crossings, plank used at	89
crossings, wages of leverman for derailer at.....	91
repairs, service of work car in connection with.....	236
Steam shovel mounted on car, maintenance of	20
owned at close of construction, disposal of.....	195
Stencilling of numbers on poles	115
Stock. <i>(See Capital stock.)</i>	
Stone crusher at quarry for producing ballast	242
crusher mounted on car, maintenance of.....	20
filling for track.....	82
Stopping points along line, power for electric lights at	198
Storage air-tanks for air-brake apparatus	17, 133
land for track material, rent of, apportionable to construction.....	51
Store expenses, apportionment of, to accounts affected	10, 59
handling of scrap material as related to.....	196
rent of storage ground for material as related to.....	51
Stores department, salaries of clerks handling accounts for	94
Storeroom expense, charges for custom labor covering	31
scales and stoves, installation of.....	183
Stoves in storerooms, installation of	183
Street, crossings for, installation of	117
grade of, improvements on.....	117, 224
operation rights on and across.....	32
planks for steam road crossings in.....	89
sprinkling of.....	40, 45, 165
widening of, under franchise requirement.....	60, 116
<i>(See also Cross walks, Paving, Road.)</i>	
Structures for support of overhead construction, definition of	65
Stumps, removal of, from right of way	258
Subaccounts for motive features of gasoline motor cars	249
for segregation of power superintendence.....	127
indicated in classifications, use of.....	5, 146
Subscriptions to funds for entertaining conventions	72
to periodicals.....	176
to stock, public, expense incident to raising.....	261
Substation employee with miscellaneous duties, apportionment of wages of	79, 148, 254
Subway lines, apportionment of lighting expense between elevated and	158
space occupied by transmission line, rent for.....	241

	Case.
Superintendence of construction, salary of engineer engaged in.....	24
of transportation, items standing in relation to.....	21, 106, 127, 184
of way and structures, engineers' salaries as related to.....	111
Superintendent of power, salary and expenses of.....	127
Supervision of cars for other companies.....	54
of operation, fees to engineering corporation for	119
Suspense accounts, use of.....	125, 189
Switch, rent of land for location of.....	48
repair of connections for operating.....	47
Switch lights, maintenance of.....	181, 182
placing wire for operation of.....	132
Switch rods or hooks for throwing tongue switches.....	229

T.

Tanks for air used for air-brake equipment.....	17, 183
for fuel oil used in ferry operation.....	102
Tariffs, printing of.....	80
Taxes, accounts for, paid by carrier operating lighting business.....	42
accounts for, when arising in connection with operations.....	29
franchise, levied by cities.....	95, 120
items standing in relation to.....	32, 37, 95, 112, 120, 225
license, levied by city.....	120
proceeds from, when voted to carrier by districts along line.....	129
Teaming. (<i>See Carriage.</i>)	
Telephones, dry batteries for.....	230
tolls and rents payable for.....	96, 209
Terminal grounds, land acquired for.....	192
house for change of overhead to underground line.....	147
Theft, loss of conductors' remittances by.....	142
Tickets, canceled, envelopes and bags for filing of.....	168
redeemed, use of open account in connection with.....	69
sale of, at stores along line, commissions and wages for.....	22
(<i>See also Mileage books.</i>)	
Tides, retaining wall for protection of banks against.....	50
Ties, plugs for filling spike holes in.....	90
purchase of, in advance of use.....	259
renewals of, distribution of, over fiscal year.....	259
used in connection with special work.....	25
Tile for repair of right-of-way ditches.....	162
Time, car, consumed between carhouse and point of service.....	58
car, lost between trips.....	58
car, lost through blockades and other causes.....	58
employees', lost on account of injuries, payments for	16, 74, 150, 151
employees', spent in waiting while on duty.....	223
rent accruing for, of rented equipment lying idle.....	186
Titles of real property, examination of, in connection with bond issue.....	118
Tolls for telephone service.....	96, 209
Tools for clearing weeds from track and right of way.....	86
for construction work.....	104
for general purposes, maintenance of.....	73
for grading.....	190

	Case.
Tools for maintenance work	73
repairs and renewals of	73
roadway, items standing in relation to	195, 238, 242
Tower wagon expense apportionable to construction	30
Towers for crossing gate apparatus	156
for interlocker machinery	157
Track conduit, cleaning of	28
construction, expense incident to	2, 51, 154, 191, 224, 262
construction, temporary, compelled by sewer work	121
construction, underground, labor used in	153
cranes, power used in operation of	227
drainage	87, 105, 206
expenses. (<i>See Roadway and track expenses.</i>)	
filling, crushed stone used for	82
foundation at pit in carhouse or yard	213
labor. (<i>See Roadway and track labor.</i>)	
laying, items standing in relation to	130, 153, 262
maintenance, supplies for	92
material, hauling of, from storeroom to point of use	154
material, storage of, apportionment of rent of land for	51
obstructions, removal of	86, 87, 110, 164
paving. (<i>See Paving.</i>)	
reconstruction on road purchased	211
rent received from another company for joint use	54, 208
rent received from steam road for exclusive use	200
repairs, expense incident to	40, 51, 113, 205, 240
shop, labor and supplies at	92
sprinkling	40
work, rent and operation of equipment used for	130
Trainmen, burial expenses of, when killed by passenger	160
hat checks furnished to	166
meals furnished to, on rush days	194
wages of, when acting as pilots	207
wages of, when on duty but inactive	223
wages of, when operating cars to clean wires	234
(<i>See also Conductors, Motormen.</i>)	
Transmission system, items standing in relation to	147
rent of subway space for use of	241
tools used in maintenance of	73
Transportation expenses, miscellaneous items in relation to	83, 97
revenues, miscellaneous items in relation to	33, 45, 84, 124, 236, 245
Trees along track, trimming of	164
on right of way, cutting of	258
Trestle at coal pocket	140
parts, accounts proper for	155
Trial of person killing trainman, expense incident to	160
Trip sheets, printing and furnishing of	23
Trolley parts for cars	56
Trolley wire. (<i>See Wires, Wiring.</i>)	
Trucks for cars	9, 56
Trust company, payment to, for certification of bonds	126

	Case.
Trustees, commissions and fees to, for paying out bond interest.....	108
payments to, in connection with bond issue for construction.....	15, 125
Tube cleaners for boiler tubes at power stations.....	167, 185
Tunnels. (<i>See Subway.</i>)	
Turn-outs made to order.....	25, 100

U.

Uncollectible freight charges.....	204
Undergrade crossings, cattle passes in the nature of.....	122
Underground conduits, cleaning of.....	28
construction, labor used in.....	153
system, pit for change from overhead to.....	213
system, terminal house for change from overhead to.....	147
Undistributed accounts, use of.....	10, 14, 18, 35, 59
Uniforms for employees.....	106
United States Government property, payments for operation rights over	37, 112
Unloading expense. (<i>See Cinders, Coal, Freight, Material.</i>)	

V.

Vehicles. (<i>See Automobiles, Tower wagon.</i>)	
Velocipedes, installation of, and repairs and renewals.....	238

W.

Wages during time lost through disability or injury.....	16, 74, 150, 151
incident to operation of steam or gasoline motor equipment.....	6
incident to sale of tickets at stores along line.....	22
incident to service at temporary break in line.....	113
incident to use of cars by contractor.....	84
of blacksmiths and helpers at track shop.....	92
of bridge tenders on bridge used under lease or franchise.....	98
of carhouse employees for time used in unloading coal.....	247
of clerks and cashiers in express offices.....	4
of clerks in carhouses	21
of clerks in general office when handling department accounts.....	94
of general office employee having miscellaneous duties.....	149
of leverman for derailer at steam road crossing	91
of pilots assigned to direct operation of cars.....	207, 208
of power-plant employees for time used in unloading coal.....	248
of power-plant employees for time used on repair work.....	79
of substation attendant with miscellaneous duties.....	148, 254
of trainmen while inactive during hours of duty.....	223
of trainmen while operating cars to clean wires.....	234
(<i>See also Labor, Salary.</i>)	
Wagons, repair, expenses of, apportionable to construction.....	30
Waiting rooms, rented, repairs of.....	62
Walks along track of elevated railway.....	155
Wall for protection of banks against tides.....	50
Washers for cars.....	56
Waste for automobiles.....	212
for steam and gasoline motor equipment.....	6

	Case.
Water, damage by, reserve fund to meet deferred repairs of.....	197
protection of banks against, retaining wall for.....	59
removal of, when due to melting of snow in street.....	78
removal of, from track.....	87
track inlets and connections for.....	105
used by steam and gasoline motor equipment.....	6
Water-supply system for hydraulic generating plant.....	76
for power station condensers.....	126
Way and structures depreciation.....	52
Way expenses, miscellaneous items standing in relation to.....	32, 48, 110, 121
Waybills, printing of.....	14
Weeds, clearing track and right of way of.....	86
Welding machine, crucibles used in connection with.....	73
Wharf, slips and structures at. (<i>See Ferry.</i>)	
Wheels for cars.....	56
Wires, attachment of, to carrier's poles, receipts derived from.....	49, 68
attachment of, to poles of another company, payments for.....	49
bracket, for support of trolley line, maintenance of.....	136
cleaning of, wages of trainmen operating cars for.....	234
cutting of, to permit moving of buildings on or across street.....	101
stringing of, over bridge, payment to city for privilege of.....	225
(<i>See also Distribution system, Transmission system.</i>)	
Wiring for air-brake equipment on cars.....	9, 56
for electric appliances on cars.....	7, 9, 56
for electric connection with electric track switch.....	47
for electric lights.....	97
for electric switch lights.....	132, 181
for motive parts of gasoline motor cars.....	249
Witnesses at coroner's inquest, fees to.....	226
Work cars. (<i>See Car.</i>)	
Wreck, loss caused by destruction of car in.....	250

Y.

Y-track, rent of land for location of.....	48
Yard, track foundations at pit in.....	213

INDEX TO CASES BY ACCOUNTS.

CLASSIFICATION OF EXPENDITURES FOR ROAD AND EQUIPMENT.

	Case.
Road and equipment accounts in general.....	26, 57, 202
Road and equipment accounts indicated by character.....	26.
	33, 34, 84, 99, 104, 107, 114, 171, 186, 203, 214, 219, 220, 250, 256
Road:	
1. Engineering and superintendence.....	24
2. Right of way.....	60, 110, 116, 117, 161, 191, 222, 224, 237, 243
3. Other land used in electric railway operations.....	191, 192
4. Grading.....	50, 161, 190, 196, 258
5. Ballast.....	137, 139
7. Rails, rail fastenings, and joints.....	100, 141
8. Special work.....	25, 100, 132
9. Underground construction.....	153
10. Paving.....	2, 46, 60, 105, 116, 117, 138, 139, 152, 191, 222, 251, 262
11. Track laying and surfacing.....	130, 139, 153, 154, 262
12. Roadway tools.....	195, 238, 242
14. Elevated structures and foundations.....	155
15. Bridges, trestles, and culverts.....	123, 130, 140, 155
16. Crossings, fences, cattle guards, and signs.....	46, 89, 117, 122, 156, 159
17. Interlocking and other signal apparatus.....	132, 157
19. Poles and fixtures.....	65, 115
21. Transmission system.....	147
22. Distribution system.....	65, 220
24. Power-plant buildings.....	24, 126, 140, 144, 257
27. Shops and carhouses.....	24, 143, 144, 183, 213
28. Stations, waiting rooms, and miscellaneous buildings.....	140, 144, 191, 213
30. Power-plant equipment.....	167, 169, 185, 244, 257
32. Shop equipment.....	134, 183
33. Park and resort property.....	39
34. Cost of road purchased.....	211
Equipment:	
35. Cars.....	67, 145, 169
36. Locomotives.....	145, 169
37. Electric equipment of cars.....	67, 233
38. Other rail equipment.....	145, 169, 195
General expenditures:	
40. Law expenses.....	130, 173
41. Interest.....	29, 53
44. Miscellaneous.....	15, 51, 60, 75, 118, 125, 130, 193, 261

CLASSIFICATION OF OPERATING REVENUES.

	Case.
Operating revenue accounts in general.....	27, 57
Operating revenue accounts indicated by character.....	54, 201
Revenue from transportation:	
1. Passenger revenue.....	69, 70, 108, 221, 235
2. Baggage revenue.....	245
5. Express revenue.....	131, 217
7. Freight revenue.....	178, 187
9. Miscellaneous transportation revenue.....	33, 45, 84, 124, 236, 245
Revenue from operations other than transportation:	
15. Rents of tracks and terminals.....	54, 200, 208
17. Rents of buildings and other property.....	49, 55, 68
19. Miscellaneous.....	71, 84, 189

CLASSIFICATION OF OPERATING EXPENSES.

Operating expense accounts in general.....	3, 27, 34, 202
Operating expense accounts indicated by character.....	31,
	33, 34, 38, 42, 45, 54, 79, 84, 99, 109, 127, 148, 149, 189, 197, 201, 203, 208, 247, 248, 250
Way and structures:	
1. Superintendence of way and structures.....	18, 94, 111
Maintenance of way (for class C roads).....	1
Maintenance of roadway and track (for class B roads).....	1
2. Ballast.....	82, 137, 240
3. Ties.....	85, 90, 259
4. Rails.....	85
5. Rail fastenings and joints.....	85
6. Special work.....	47, 85
8. Roadway and track labor.....	47, 50, 82, 86, 87, 92, 162, 164, 206
9. Paving.....	2, 81, 98, 205, 240, 251
10. Miscellaneous roadway and track expenses....	50, 73, 81, 82, 86, 87, 92, 162, 206, 238
11. Cleaning and sanding tracks.....	28, 40, 45, 73, 86
12. Removal of snow, ice, and sand.....	73, 78, 87, 88, 159, 234
13. Tunnels.....	158
15. Bridges, trestles, and culverts.....	73, 98
16. Crossings, fences, cattle guards, and signs.....	88, 89
17. Signal and interlocking systems.....	73, 181, 182
19. Other miscellaneous way expenses.....	32, 48, 102, 110, 112, 121
20. Poles and fixtures.....	115, 136
22. Transmission system.....	147
23. Distribution system.....	5, 186
24. Miscellaneous electric line expenses.....	82, 49, 73, 101, 158, 241
25. Buildings and structures.....	5, 61, 63, 73, 76, 97, 102, 146, 172, 228
26. Depreciation of way and structures.....	52, 215
27. Other operations—Dr.....	11, 36, 41, 42
28. Other operations—Cr.....	11, 36, 41, 42, 255
Equipment:	
29. Superintendence of equipment.....	18, 94
30. Power-plant equipment.....	167, 185, 244
32. Passenger and combination cars.....	6, 7, 9, 19, 56, 77, 145, 163, 249, 256
33. Freight, express, and mail cars.....	6, 7, 9, 19, 56, 145, 163, 249, 256
34. Locomotives.....	6, 9, 56, 145, 163, 249
35. Service cars.....	9, 19, 20, 45, 56, 145, 163, 218, 249, 256
36. Electric equipment of cars.....	9, 19, 20, 56, 218, 233

Equipment—Continued.	Casa.
37. Electric equipment of locomotives.....	56
38. Shop machinery and tools.....	17, 133, 134
39. Shop expenses.....	92, 107
40. Horses and vehicles.....	30, 212
42. Depreciation of equipment.....	52, 215
43. Other operations—Dr.....	11, 36, 41, 42
44. Other operations—Cr.....	11, 36, 41, 42, 255
Traffic:	
45. Superintendence and solicitation.....	22
46. Advertising.....	39, 72, 179, 189
Conducting transportation:	
48. Superintendence of transportation.....	18, 21, 106, 127, 184, 254
51. Fuel for power.....	6
52. Water for power.....	6
53. Lubricants for power.....	6
54. Miscellaneous power-plant supplies and expenses.....	6, 170
56. Power purchased.....	11, 43, 84, 198, 199, 227
58. Other operations—Dr.....	11, 36, 41, 42
59. Other operations—Cr.....	11, 36, 41, 42, 255
60. Passenger conductors, motormen, and trainmen.....	6, 207, 223
61. Freight and express conductors, motormen, and trainmen.....	6, 207, 223
62. Miscellaneous car-service employees.....	84, 91, 98, 113
63. Miscellaneous car-service expenses.....	12, 14, 17, 56, 77, 93, 106, 121, 133, 163, 166, 170, 174, 179, 194, 229, 232, 260
64. Station employees.....	4, 22, 165, 239
65. Station expenses.....	62, 97, 165
66. Carhouse employees.....	93
67. Carhouse expenses.....	13
68. Operation of signal and interlocking systems.....	91, 181
69. Operation of telephone and telegraph systems.....	96, 230
72. Other transportation expenses.....	83, 97, 194
General and miscellaneous.....	42, 103
73. Salaries and expenses of general officers.....	119, 246
74. Salaries and expenses of general office clerks.....	94, 111
75. General office supplies and expenses.....	63
76. Law expenses.....	160, 173
77. Relief department expenses.....	16
79. Miscellaneous general expenses.....	16, 75, 96, 106, 128, 142, 150, 151, 175, 176, 177, 209, 230
80. Other operations—Dr.....	11, 36, 41, 42, 59
81. Other operations—Cr.....	11, 36, 41, 42, 59, 255
Undistributed accounts.....	35
82. Injuries and damages.....	16, 35, 74, 150, 151, 160, 180, 210, 226
83. Insurance.....	75, 106
84. Stationery and printing.....	14, 18, 23, 80, 168, 231
85. Store expenses.....	10, 34, 51, 59, 94, 196
86. Stable expenses.....	30, 44, 59, 212
88. Rent of equipment.....	19, 64, 188, 199



Accounting Bulletin No. 8

**INTERPRETATIONS
OF
ACCOUNTING CLASSIFICATIONS**

**PRESCRIBED BY THE
INTERSTATE COMMERCE COMMISSION
FOR**

STEAM ROADS

**IN ACCORDANCE WITH SECTION 20 OF THE
ACT TO REGULATE COMMERCE**

EFFECTIVE ON JULY 1, 1912

(Supersedes Accounting Bulletin No. 4)



**WASHINGTON
GOVERNMENT PRINTING OFFICE
1912**

THE INTERSTATE COMMERCE COMMISSION.

CHARLES A. PROUTY, *of Vermont.*
JUDSON C. CLEMENTS, *of Georgia.*
FRANKLIN K. LANE, *of California.*
EDGAR E. CLARK, *of Iowa.*
JAMES S. HARLAN, *of Illinois.*
CHARLES C. MCCHORD, *of Kentucky.*
BALTHASAR H. MEYER, *of Wisconsin.*
JOHN H. MARBLE, *Secretary.*

INTERSTATE COMMERCE COMMISSION.

95

ORDER.

At a General Session of the INTERSTATE COMMERCE COMMISSION, held at its office in Washington, D. C., on the 10th day of June, A. D. 1912.

The subject of a Uniform System of Accounts to be prescribed for and kept by carriers being under consideration, the following order was entered:

It is ordered, That the Interpretations of Accounting Classifications prepared under the direction of this Commission, and embodied in printed form to be hereafter known as Accounting Bulletin No. 8, a copy of which is now before this Commission, be, and the same is hereby, approved; that a copy thereof duly authenticated by the Secretary of the Commission be filed in its archives, and a second copy thereof, in like manner authenticated, in the office of the Division of Carriers' Accounts; and that each of said copies so authenticated and filed shall be deemed an original record thereof.

It is further ordered, That the accounting methods directed in the interpretations contained in the said Accounting Bulletin No. 8 be, and they are hereby, prescribed for the use of carriers by rail (exclusive of electric railways) subject to the provisions of the amended act to regulate commerce in the keeping and recording of their accounts.

It is further ordered, That July 1, 1912, be, and it is hereby, fixed as the date on which the said Accounting Bulletin No. 8 shall become effective.

By the Commission.

[SEAL.]

JOHN H. MARBLE,
Secretary.

W. T. Hollander

INTRODUCTORY LETTER.

INTERSTATE COMMERCE COMMISSION,
DIVISION OF CARRIERS' ACCOUNTS,
Washington, D. C., June 27, 1912.

TO CARRIERS CONCERNED:

Under date of January 1, 1910, there was issued Accounting Bulletin No. 4, which contained various questions bearing upon the interpretation of accounting classifications previously prescribed by the Interstate Commerce Commission and the answers thereto. In Accounting Series Circulars Nos. 12c and 12d, issued under dates of December 1, 1909, and December 5, 1910, respectively, were published additional questions and answers. A further study of the cases thus published and consideration of the suggestions submitted by those responsible for the application of classifications of the Commission have led to the conclusion that it is desirable to revise a number of the cases. It appears that some cases which have been covered by the later classifications may properly be omitted. This Accounting Bulletin (No. 8), which is issued under order of the Commission, contains all cases which it seems desirable to retain, with the exception of Cases Nos. 15, 509, 537, 549, 610, and 637, which will be republished later in Accounting Series Circular No. 12e.

It is due that acknowledgment should be made of the valuable assistance rendered in the revision of these cases by the Association of American Railway Accounting Officers and the standing committees of that Association.

CHARLES A. LUTZ,
Chief Examiner of Accounts.

INTERSTATE COMMERCE COMMISSION ACCOUNTING BULLETIN NO. 8.

INTERPRETATIONS OF THE ACCOUNTING CLASSIFICATIONS.

CASE 1.

Query. How shall debits and credits not provided for in the accounting classifications be disposed of before receipt of formal orders of the Commission?

Answer. All accounting matters must be disposed of in conformity with the principles embodied in the orders of the Interstate Commerce Commission. Subject to this limitation, matters not covered by such orders may be disposed of according to the judgment of the carrier.

CASE 2.

Query. When a carrier assumes a proportion of switching charges collectible from another carrier, should it be charged to freight revenue as switching absorbed and credited to freight revenue when collected?

Answer. This is a matter of bookkeeping, in which each carrier is for the present permitted to use its own discretion so long as the integrity of the prescribed accounts is maintained. (*See Case 214.*)

CASE 3.

Query. Is it essential that books be written up monthly by a road which has heretofore been in the habit of writing them up once in six months?

Answer. Accounts should be written up monthly.

CASE 4.

Query. Is it permissible after July 1, 1907, to carry over balances in reserve accounts? Such balances may consist of estimated amounts of overcharge, switching, loss, damage, and personal injury claims.

Answer. Balances in such reserve accounts may be carried over, provided the charges to the various operating expense and revenue accounts are adjusted yearly to the actual accruals as nearly as may be. (*See Case 211.*)

CASE 5.

Query. A judgment chargeable to operating expenses is rendered against a carrier. Is it permissible to spread the amount over several months, and even over more than one fiscal year?

Answer. Judgments and heavy or extraordinary expenses, due to fires, accidents, etc., may be spread over two or more months of a fiscal year, but permission must be obtained from the Interstate Commerce Commission if it is desired to extend the charges to Operating Expenses into the succeeding fiscal year. (*See Case 379.*)

CASE 6.

Query. To what account should the expense of "studies" by the Engineering Department be charged? By "studies" is meant tentative surveys, sinking test pits, etc., in connection with proposed work, prior to any authorization for the prosecution of the work. In some cases the work is ultimately not undertaken, and the expense can not therefore be charged against the project.

Answer. Such expense should be charged to convenient suspense or clearing account until such time as it can be determined where it belongs, and should then be transferred to Income, Profit and Loss, Road and Equipment, Additions and Betterments, or Operating Expenses, as may be appropriate.

CASE 7.

(Omitted.)

CASE 8.

Query. To what account should be charged loss and damage on company material in transit?

Answer. It should be charged to expense account No. 99, "Loss and Damage—Freight."

CASE 9.

Query. In adjusting material accounts to the basis of inventory, what account or accounts should be credited or debited?

Answer. Determined differences in important items, such as ties, rails, fuel, etc., are ordinarily assignable to discrepancies in charges to particular accounts since the last inventory and should be adjusted accordingly.

Other differences should be apportioned among the primary expense accounts on the basis of the material charges to them since the last inventory.

CASE 10.

Query. How shall taxes on joint facilities be treated?

Answer. Taxes upon property used jointly should be charged to income account I 5, "Railway Tax Accruals." Proportions chargeable to other carriers should be treated as rents by both debtors and creditors, and included in the joint facility rent accounts in Income.

CASE 11.

Query. How should the rent for the exclusive use of a short piece of track, based on a percentage of valuation, be charged?

Answer. It should be charged to income account I 22, "Miscellaneous Rent Deductions."

CASE 12.

Query. To what account should be charged rent for the joint use of property based on interest valuation?

Answer. It should be charged to income account I 21, "Joint Facility Rent Deductions."

CASE 13.

Query. A road rents a piece of ground belonging to another carrier, and upon this ground has built tracks for its own exclusive use. To what accounts should be charged the amount paid for rent of the ground, and to what account should the carrier owning the ground credit the amount received from the lessee?

Answer. The carrier owning the ground should credit the rents received to income account I 9, "Miscellaneous Rent Income," and the lessee should charge them to income account I 22, "Miscellaneous Rent Deductions."

CASE 14.

Query. The A Railroad Co. has a contract whereby a small portion of its tracks are used exclusively by another company without any expense to A. To what account should the rent be credited?

Answer. It should be credited to income account I 9, "Miscellaneous Rent Income."

CASE 15.

(Answer not finally approved. See Accounting Series Circular No. 12e.)

CASE 16.

Query. What account should be credited with rents of property not used in operation, and what account should be charged with the cost of repairs, insurance, taxes, and other expenses of such property?

Answer. (a) If the property in question is included in the road and equipment accounts, the rents should be credited to income account I 9, "Miscellaneous Rent Income," and the cost of repairs, insurance, and similar expenses should be charged to the same account. Taxes should be charged to income account I 5, "Railway Tax Accruals."

(b) If the property in question is included in balance sheet account B 6 (a), "Miscellaneous Investments—Physical Property," the net balance of rents and expenses, such as the cost of repairs, insurance, and other expenses, should be included in income account I 10, "Net Profit from Miscellaneous Physical Property" or I 24, "Net Loss on Miscellaneous Physical Property," as the case may require. Taxes should be charged to account I 23, "Miscellaneous Tax Accruals."

CASE 17.

Query. To what account should be charged rent of bridges?

Answer. Payments for rent of a bridge, which includes the cost of operation or maintenance, should be divided by agreement of the parties at interest into two parts; one part, covering the cost of maintenance or operation or both, to be charged to appropriate operating expense accounts, or the joint facility accounts if the bridge is jointly used; the remaining part to be charged to income account I 22, "Miscellaneous Rent Deductions," if the use of the bridge is exclusive, otherwise the charge should be to income account I 21, "Joint Facility Rent Deductions." If the payment does not include any part of the cost of maintenance or operation, the whole should be charged to Income. The principle is that the operating expenses of carriers should include the cost of operating and maintaining facilities or parts of facilities used by them in the business of transportation.

CASE 18.

Query. Does the Classification of Expenditures for Road and Equipment apply only to new lines and not to betterments and improvements of existing lines?

Answer. Expenditures for construction and equipment of new main and branch lines and extensions of existing lines are required to be classified according to the Classification of Expenditures for Road and Equipment. Expenditures for additions and betterments should be classified in accordance with the Classification of Expenditures for Additions and Betterments, and the *aggregate* is required to be redistributed in accordance with the Classification of Expenditures for Road and Equipment. (See paragraphs Nos. 1 and 14 of General

Instructions in Classification of Expenditures for Additions and Betterments.)

CASE 19.

Query. To what account should be charged discount on bonds issued for construction of new lines and for additions and improvements?

Answer. Discount on bond issues should be included in account B 20 (b), "Unextinguished Discount on Funded Debt" in the Form of General Balance Sheet Statement. (See Case 101.)

CASE 20.

(Omitted.)

CASE 21.

(Omitted. Now covered by the classifications.)

CASE 22.

Query. To what account should be charged the cost of electrical equipment for passenger, freight, and other cars, and also the cost of entirely new cars electrically equipped?

Answer. If the electric equipment is an addition or betterment, the cost should be charged, as should the cost of all equipment acquired by a line in operation, to additions and betterments account A 33, "Equipment."

CASE 23.

Query. Should additions or betterments to property used in outside operations be included in additions and betterments or in outside operations accounts?

Answer. Such expenditures should be included in additions and betterments accounts subject to the limitations provided in the Classification of Expenditures for Additions and Betterments.

CASE 24.

Query. A carrier operates from A to B by rail and from B to C by water, making an arbitrary division of the revenues received between the rail and the water lines. Does the proportion allowed the water line from B to C constitute what is meant by "allowance" in the Introductory Letter in Classification for Outside Operations?

Answer. The proportion of a through rate thus allowed water lines is termed an "allowance" in the letter referred to.

CASE 25.

Query. Parlor cars are operated in the same trains with other passenger cars and the expenses of general supervision, heating, lighting, cleaning, etc., can only be apportioned upon an arbitrary basis if included in the outside operations accounts. Is it permissible to include the revenues from these cars in revenue account No. 4, "Parlor and Chair Car Revenue" and their expenses in the appropriate expense accounts?

Answer. When such revenues and expenses are not sufficient to impair the operating statistics for transportation by rail, based on the accounts provided in the Classifications of Operating Revenues and Operating Expenses, this may be done.

CASE 26.

Query. A carrier operates its stock yards in connection with its transportation business. These yards furnish facilities for the carrier when occasion arises, as well as for shippers, from whom collections are made to cover the service. As it is practically impossible to make an accurate separation of the expenses of services rendered to the carrier from those of services rendered to shippers, is it permissible to charge all expenses of these yards to appropriate expense accounts, such as accounts No. 16, "Buildings, Fixtures, and Grounds"; No. 63, "Station Employees"; and No. 66, "Station Supplies and Expenses"; and to credit all receipts to revenue account No. 19, "Miscellaneous"?

Answer. Such expenses may be so charged and such revenues so credited when the accounting is not inconsistent with the Introductory Letter and text of the Classification of Revenues and Expenses for Outside Operations.

CASE 27.

Query. In what accounts should be included demurrage upon boats delayed in loading or unloading beyond the free time regularly allowed, and the wharfage on account of boats tied up at docks beyond the prescribed period?

Answer. Assuming that such items are incident to conducting an outside operation the collections and payments should be included, respectively, in the revenue and expense accounts provided for these items in the classification for the appropriate outside operation.

CASE 28.

Query. To what account should be charged expenditures for fire protection, representing the cost of appliances and of work done in

connection with constructing water lines, fire walls, and other work of that character?

Answer. The cost of additional structures and improvements for fire protection should be distributed to the appropriate additions and betterments accounts; the cost of maintenance and operation should be accounted for in accordance with the Classification of Operating Expenses.

CASE 29.

Query. Is it permissible to spread insurance premiums payable in any year over the 12 months of that year upon an estimated basis, provided an adjustment is made at the close of the year to the actual accruals?

Answer. Insurance premiums should be charged upon the basis of accruals, the necessary adjustments being made at the close of the year. When the premium covers 12 months' insurance, one-twelfth should be charged each month.

CASE 30.

(Omitted. Case now covered by the classifications.)

CASE 31.

Query. Are not Note C, under account No. 9, "Bridges, Trestles, and Culverts," and Note B, under account No. 16, "Buildings, Fixtures, and Grounds," in the Classification of Operating Expenses in conflict with the last clause of Note A under account No. 110, "Insurance," which provides that to "Insurance" shall "be credited all amounts recovered from insurance companies for damage to property reinsured by them?"

Answer. There is no conflict. The last-mentioned provision is restricted to the case of reinsurance; i. e., when a carrier acts as its own insurer and by suitable charges to operating expenses raises an insurance fund or reserve. In such a case, if it is later deemed advisable to divide the risk with respect to any particular portion of the property, and such property is reinsured with another insurer, the premium paid for such reinsurance is charged to the insurance fund or reserve, and the amount recovered in case of casualty is credited to such fund or reserve.

CASE 32.

Query. With reference to the Note in the Classification of Operating Expenses under each of the accounts, No. 3, "Ties;" No. 4, "Rails;" No. 9, "Bridges," etc., is it intended that the several accounts shall

include in any one fiscal year only the actual expenditures (of the character contemplated) made during the particular fiscal year, or is it contemplated that, if a company desires, it may authorize or approximate any sum that it may see fit, charging the amount so authorized or approximated to the accounts concerned without regard to the actual expenditures during any month or fiscal year?

Answer. Reserve accounts of this character may be created by monthly charges to operating expense accounts of sums estimated to be necessary for maintenance, but such charges should be adjusted annually so that the total charge for the year shall represent the actual expenditures for maintenance in that year. (*See Case 425.*)

CASE 33.

(Omitted.)

CASE 34.

Query. To what account should be charged pay and expenses allowed employees while attending coroners' inquests?

Answer. They should be charged to the appropriate "Injuries to Persons" account or accounts.

CASE 35.

Query. To what expense account should be charged rent of offices for the use of the Claims Department which is in charge of claims for injuries to persons and for damage to property other than freight and baggage?

Answer. Rents in such a case should be considered as office expenses, except when provided for otherwise.

CASE 36.

Query. In the case of a road owning one locomotive, should depreciation be computed and charged to Operating Expenses regardless of where the cost of the locomotive was charged at the time of its acquisition?

Answer. Depreciation upon equipment in service should be included in Operating Expenses regardless of where the cost of the equipment has been charged, as otherwise the current operating expenses would not be truly stated.

CASE 37.

(Omitted. Case now covered by the classifications.)

CASE 38.

Query. To what account should be charged damages for overflows caused by inadequate waterways?

Answer. To appropriate accounts in Maintenance of Way and Structures when the property damaged is the carrier's own; to account No. 101, "Damage to Property," when it is the property of others. If, however, the damage is directly connected with new construction work the cost of which is chargeable to additions and betterments or road and equipment accounts, the amount of the damage should be included in the cost of the work.

CASE 39.

(Omitted. Case now covered by the classifications.)

CASE 40.

Query. Is it required that regular charges shall be made to Operating Expenses to cover depreciation on roadbed?

Answer. Not under the present classification. Depreciation accounts for roadway and structures may, however, be kept as subaccounts if desired. In such case the names and descriptions of the subaccounts must be filed with the Interstate Commerce Commission as provided in the orders promulgating the classifications. (See Case 106.)

CASE 41.

Query. To what account should be charged the cost of cleaning car-cleaning yards (an expense resulting from the cleaning of cars)?

Answer. It should be charged to operating expense account No. 6, "Roadway and Track."

CASE 42.

Query. To what account should be charged the expense of bonding rails in connection with signal and interlocker systems?

Answer. If the work is done during the construction period, the cost should be charged to road and equipment account No. 16, "Interlocking and Other Signal Apparatus." When chargeable to operating expenses, it should be charged to operating expense account No. 13, "Signals and Interlocking Plants"; if a part of additions and betterments work, to appropriate additions and betterments accounts.

CASE 43.

(Omitted. Case now covered by the classifications).

CASE 44.

(Omitted. Case now covered by the classifications.)

CASE 45.

(Omitted.)

CASE 46.

Query. Should not the word "operation" in the phrase "operation of joint facilities" in the notes under joint-facility accounts Nos. 22, 23, 51, and 52, covering the maintenance of joint tracks, equipment, etc., read "maintenance," and shall we so construe it?

Answer. The word "operation" is used in its broad sense, and should be construed to embrace maintenance or any other element of operating expense covered by bills for joint operation.

CASE 47.

Query. It is observed that no provision is made in the text of operating expense account No. 34, "Freight-train Cars—Repairs" for repairs to work cars used in commercial service. A company owns a large number of cars which it classifies as "ballast" cars, and which it constructed for use in either work or commercial service. A large part of the time these cars are used in commercial service. Should not this class of equipment be treated as commercial cars?

Answer. If for a majority of the time the cars are used in commercial service they should be classified as commercial cars, regardless of the design of the cars.

CASE 48.

Query. Should charges to operating expenses be made for depreciation on equipment under a car trust, the equipment not having been fully paid for and the title not having been acquired?

Answer. Charges should be made for depreciation on such equipment beginning as soon as it enters the service of the carrier.

CASE 49.

Query. As cars and locomotives will be retired and new equipment will be received on various days within the month, it will be practically impossible to keep an accurate account of depreciation according to days or fractions of a month. What rule should be followed in making the monthly entries for "Depreciation" in such cases?

Answer. A full month's depreciation charge should be made on all equipment in service on the first, or the last, day of the month. (See Case 169.)

CASE 50.

(Omitted.)

CASE 51.

(Omitted.)

CASE 52.

Query. Is it correct for a switching road, whose cars seldom leave its own line, to charge to account "Hire of Equipment" the amounts paid to other companies for the use of their equipment?

Answer. It is.

CASE 53.

Query. To what account should be credited a bill made for engines and cars loaned at a daily rate to a contractor on construction work?

Answer. It should be credited to income account, "Hire of Equipment."

CASE 54.

Query. In the text of operating expense account No. 25, "Steam Locomotives—Repairs," is it intended that the cost of "special service, such as bringing locomotives to shops or watching them while on the way to shops for repairs," shall include the pay of engineers and firemen as well as other employees engaged in such "special service"?

Answer. It is; unless the locomotives are able to run to a terminal or shop under their own steam, in which case the pay of engineers and firemen should be charged to operating expense account No. 80, "Road Enginemen." Consideration should be given in this connection to account No. 93, "Clearing Wrecks."

CASE 55.

Query. The text of operating expense accounts No. 32, "Passenger-train Cars—Renewals" and No. 33, "Passenger-train Cars—Depreciation," excludes parlor cars and sleeping cars, the operations of which are treated as Outside Operations. To what account should be charged renewals and depreciation of such cars?

Answer. The two accounts, No. 32, "Passenger-train Cars—Renewals," and No. 33, "Passenger-train Cars—Depreciation," should be interpreted to correspond to account No. 31, "Passenger-train Cars—Repairs," which excludes the repairs of parlor cars and sleeping cars whose operations are treated as Outside Operations.

CASE 56.

Query. At various junctions on a carrier's line, a system of joint car inspection is in force, the carrier paying the total expenses and rendering bills against other lines interested. Should this expense be charged to account No. 34, "Freight-train Cars—Repairs," by the line carrying the men on its rolls and the same account credited for bills rendered?

Answer. It is preferred that these charges be distributed directly to the railroads interested; although carriers have the option of clearing such items through their operating expense accounts other than joint-facility accounts, if they so desire.

CASE 57.

Query. Do operating expense accounts No. 37, "Electric Equipment of Cars—Repairs," No. 38, "Electric Equipment of Cars—Renewals," and No. 39, "Electric Equipment of Cars—Depreciation," refer only to the electric motive equipment of electrically propelled cars?

Answer. They do.

CASE 58.

Query. (a) Does account No. 47, "Power-plant Equipment," apply only to power plants for generating power for the propulsion of locomotives, trains, and cars, or does it include the electric equipment in an electric power plant used for other purposes? (b) If it is intended to cover only power plants for the propulsion of locomotives, trains, and cars, to what account should be charged electric machinery and appurtenances, in a separate power plant used for operating machinery in shops, when used for shop purposes only?

Answer. (a) It applies only to power plants for generating power for the propulsion of locomotives, trains, and cars.

(b) When chargeable to operating expenses, the cost should be charged to account No. 46, "Shop Machinery and Tools." (See Case 180.)

CASE 59.

Query. (a) Referring to accounts No. 47, "Power-plant Equipment," and No. 86, "Operating Power Plants," in the Classification of Operating Expenses, does account No. 47, "Power-plant Equipment," cover the maintenance of power plants at shops generating electricity for running machinery, or is the account intended to cover the cost of maintaining power plants used to furnish electricity to electric railways only? (b) If the latter, should the cost of operating power plants in furnishing electricity for operating machinery be charged to account No. 46, "Shop Machinery and Tools?"

Answer. (a) It is restricted to power plants furnishing current for the propulsion of locomotives, trains, and cars.

(b) The cost of operating power plants furnishing current for operating shop machinery should be charged to the clearing account "Shop Expenses." (See Case 180.)

CASE 60.

Query. Should the cost of power at shops be charged to clearing account "Shop Expenses?"

Answer. It should; the cost of power for all shop purposes should be charged to that account.

CASE 61.

Query. The text of the clearing account, "Store Expenses," provides that the account should be closed out at the end of the year. Should not a balance representing cost of handling material in stock at the end of the year be carried over to the next year?

Answer. Such a balance should not be carried over to the next year.

CASE 62.

Query. To what account should be charged the salaries of chief special agents and their assistants who have police powers and have charge of yard watchmen, of employees investigating robberies and other depredations, and the preparation of evidence to be used in court cases where arrests have been made?

Answer. Such salaries should be charged to expense account No. 61, "Superintendence." Attention is called to the "Note" under this account.

CASE 63.

Query. To what account should be charged the pay of telegraph operators located at towers, whose duties are to receive orders from dispatchers, in connection with train movement, and deliver them to engineers and conductors?

Answer. The pay of such operators should be charged to expense account No. 62, "Dispatching Trains."

CASE 64.

Query. At certain stations no regular agent is employed, but a local storekeeper or the postmaster acts in that capacity, being paid a commission based on tickets sold and on the local freight charges on shipments handled at such stations. To what accounts are such commissions chargeable?

Answer. Such commissions are chargeable to expense account No. 63, "Station Employees."

CASE 65.

Query. To what account should be charged the payments to warehouse companies or contractors for loading or unloading freight?

Answer. Such payments should be charged to expense account No. 63, "Station Employees," if not includible in Outside Operations.

CASE 66.

Query. In the Classification of Operating Expenses, account No. 63, "Station Employees—Labor at Stations" includes the pay of employees at coal-dock terminals. Account No. 65, "Coal and Ore Docks," includes pay of employees at coal and ore docks. Is there not an apparent conflict and should there not be some explanation?

Answer. This matter is covered by a note under expense account No. 63, "Station Employees."

CASE 67.

(Omitted. Case now covered by the classification.)

CASE 68.

Query. To what account should be charged the cost of supplies used in switch lamps at points where no regular switching service is maintained?

Answer. The cost of such supplies should be charged to expense account No. 66, "Station Supplies and Expenses."

CASE 69.

Query. To what account should be charged expenses of hauling loads from mines to points of concentration and distributing empties to mines?

Answer. If the mines are located within the switching limits of the concentration station, such expenses should be charged to the appropriate yard-service accounts.

If not so located, and the freight is therefore billed from the mines, the entire service should be classed as road service and the expenses and the statistics of locomotive-miles, car-miles train-miles, ton-miles, etc., should be treated accordingly.

CASE 70.

Query. A train leaves A for B, a distance of a few miles, taking passenger coaches with passengers from A to B; then goes from B to four other stations farther up the line, does the necessary switching, and returns to B in the evening to take the passenger train back to A. The maximum time consumed in the passenger run between A and B is two hours and the switching service is about eight hours, but at only one of the points is the switching service over an hour a day in duration. How should the service of this locomotive be classified and its mileage divided?

Answer. The expenses of a road locomotive doing switching only incidentally should be classified as of road service, and the mileage divided between road and switching service, by allowing road service full mileage between terminals and computing mileage for switching service in accordance with the text and note under account "Switching Locomotive—Miles" in the Classification of Locomotive—Miles, etc.

CASE 71.

Query. A train leaves C in the morning, makes a trip to D, and switches at that point about eight hours, then brings the train back to C. How should the cost of the service of the train be divided?

Answer. Such expenses should be divided on the basis of service performed.

CASE 72.

Query. A carrier runs way-freight and pick-up trains, on which a crew is allowed practically twice as much pay as is allowed the ordinary road crew and the service is about twice as expensive, owing to the switching performed at various points on the lines. Is it proper to charge the extra expenses to road service?

Answer. Such expenses should be classified as road-service expenses.

CASE 73.

Query. To what accounts should be charged the wages of motormen operating a gasoline motor car used for passenger service between two stations where it is not practicable to have daily train service; also to what account should be charged supplies furnished this car?

Answer. The wages of motormen engaged in running revenue-service locomotives or motor cars other than electric should be charged to expense account No. 80, "Road Enginemen."

The cost of fuel and other supplies furnished to the motor cars should be charged the same as cost of fuel and other supplies for road

locomotives; the repairs to the locomotive features of such cars should be charged to expense account No. 25, "Steam Locomotives—Repairs," and the repairs to the car features should be charged to expense account No. 31, "Passenger-train Cars—Repairs."

CASE 74.

Query. Railroad A turns Railroad B's locomotive and supplies it with a tank of water. A charges B for the water, for turning the locomotive, and for use of the tracks. What is the correct accounting by both roads?

Answer. The amount covering the water furnished should be credited by A to the account originally charged, and charged by B to the appropriate account "Water for Locomotives." If the joint use of the facilities is temporary and is not in connection with the joint use regularly of other facilities, the amount for turning the locomotive and the amount for use of the tracks should be credited by A to revenue account No. 19, "Miscellaneous," and charged by B to expense account No. 89, "Train Supplies and Expenses." If, however, the use of these facilities is frequent or is under a joint-facility arrangement, the accounting by both roads should be in accordance with the rules prescribed for joint facility accounts.

CASE 75.

(Omitted. Case now covered by the classifications.)

CASE 76.

Query. To what expense account should be charged the cost of labor and material expended in lubricating switches and signals?

Answer. Such cost should be charged to expense account No. 90, "Interlockers and Block and Other Signals—Operation," except at terminals, where the cost of the labor should be charged to account No. 69, "Yard Switch and Signal Tenders," and the cost of the material to account No. 70, "Yard Supplies and Expenses."

CASE 77.

Query. To what expense account should be charged penalties imposed under reciprocal demurrage laws for failure to furnish cars?

Answer. The amounts of such penalties should be charged to expense account No. 98, "Other Expenses."

CASE 78.

Query. To what expense account should be charged payments for damages for ejectment of passengers from trains?

Answer. Such payments should be charged to expense account No. 103, "Injuries to Persons."

CASE 79.

Query. To what expense account should be charged a payment of damages for failure of a passenger train to stop at a station for a passenger?

Answer. If the award is based upon a property loss, to account No. 98, "Other Expenses;" if upon personal injuries, to account No. 103, "Injuries to Persons."

CASE 80.

Query. To what account should be charged amounts paid for switching passenger equipment?

Answer. They should be charged to appropriate revenue accounts when the equipment is in revenue service; to expense account No. 98, "Other Expenses," when it is in nonrevenue service.

CASE 81.

Query. To what account should be charged switching charges paid other carriers for moving empty freight equipment, as follows:

(a) When delivered to a connecting carrier to be placed for loading, for which a charge is exacted in addition to that made for returning the car loaded?

(b) When delivered to a connecting carrier to be placed for unloading, and when the empty is returned, a charge is made therefor in addition to that made for the movement of the load?

(c) When equipment, under load, has been switched to a designated point by a connecting carrier for a consideration and the car has been unloaded, it is then ordered switched to another industry in the yards of the switching carrier to be loaded for a point on the line of the carrier which made delivery to the switching carrier in the first instance, a charge being made for the movement of the empty in addition to that made for delivering the car when loaded to the carrier from which it was received in the first instance?

(d) When a carrier, instead of maintaining facilities for performing the switching service in connection with the transportation of freight, for which it makes no specific charge, hires the work done?

Answer. Such payments should be charged to revenue account No. 1, "Freight Revenue."

CASE 82.

Query. When the president of a carrier company is directly in charge of the operating departments, how should the salaries and expenses of himself and his clerks be distributed?

Answer. If the president is directly in charge of the departments usually supervised by officials named in the accounts "Superintendence" under Maintenance of Way and Structures, Maintenance of Equipment, Traffic Expenses, and Transportation Expenses, his salary and expenses and those of his clerks and assistants should be apportioned in accordance with Note B under expense account No. 106, "Salaries and Expenses of General Officers." If the president has, as is usual, only general supervision over the various departments, his salary and expenses should be charged to expense account No. 106, "Salaries and Expenses of General Officers."

CASE 83.

Query. How should the revenue derived from the transportation of milk be classified when handled—

- (a) In solid trains which have passenger-train rights?
- (b) In trains which have accommodations for passengers?

Answer. Carriers are permitted to keep the revenue from transportation of milk in account No. 1, "Freight Revenue," or account No. 7, "Milk Revenue (on Passenger Trains)," provided train statistics are reported accordingly.

CASE 84.

Query. The proceeds from the sale of local mileage tickets are credited to Operating Revenues when the sales are made. How shall such proceeds be apportioned among States, especially to States in which taxes are assessed on gross earnings?

Answer. Local mileage may be credited to account No. 2, "Passenger Revenue," as used. If this is done, the apportionment can be readily made.

CASE 85.

Query. When a train is chartered for a guaranteed lump sum and tickets are sold to protect the guarantor against the use of the train by unauthorized passengers, should the entire amount of the guaranty which includes the proceeds of the sale of individual tickets, be credited to account No. 10, "Special Service Train Revenue"?

Answer. It should, unless each passenger is required to have a ticket sold at tariff rates, in which case the amount received from the sale

of tickets should be credited to revenue account No. 2, "Passenger Revenue," and the deficit, if any, paid by the guarantor, to revenue account No. 8, "Other Passenger Train Revenue." (*See Cases 221 and 222.*)

CASE 86.

(Omitted. Case covered by Case 261.)

CASE 87.

(Omitted. *See Case 90.*)

CASE 88.

Query. Should revenue account No. 3, "Excess Baggage Revenue," include revenue derived from carrying packages and other things not incident to the carrying of passengers, such as amounts paid by newspaper publishers for carrying and distributing daily papers?

Answer. Revenue derived from carrying, in baggage cars, packages and other things not incident to the transportation of passengers should be credited to account No. 8, "Other Passenger Train Revenue," unless such shipments are carried at freight tariff rates, in which case the revenue derived therefrom should be credited to account No. 1, "Freight Revenue."

CASE 89.

(Omitted. *See Case 261.*)

CASE 90.

Query. A mining company guarantees a certain amount of revenue on passenger trains. To what account should the deficit paid by guarantors be credited?

Answer. Such a deficit should be credited to revenue account No. 8, "Other Passenger Train Revenue."

CASE 91.

Query. Should switching include the amount received for a short movement between sidings within the territory under the control of one agent?

Answer. It should, provided the movement is as described in the text of account No. 9, "Switching Revenue."

CASE 92.

Query. To what account should earnings for reconsigning, and for stop for milling in transit, be credited?

Answer. When a charge for milling-in-transit stop or for reconsigning is made in connection with or as a part of the through rate, the amount

of such charge should be credited to revenue account No. 1, "Freight Revenue"; but when the charge made is additional to the through rate and can not be considered as any portion thereof, its amount should be credited to revenue account No. 11, "Miscellaneous Transportation Revenue."

CASE 93.

Query. An industrial company guarantees that its monthly payments for freight shall not be less than a certain minimum. In the event of a deficit, which is collected by the railway company, to what account should the collection be credited?

Answer. Such a deficit should be credited to revenue account No. 11, "Miscellaneous Transportation Revenue."

CASE 94.

Query. To what account should "stop" charges be credited?

Answer. Where a charge for stop privilege is made in connection with or as a part of the through rate, such charge should be credited to revenue account No. 1, "Freight Revenue"; but when the charge is additional to the through rate and can not be considered as any portion thereof, it should be credited to revenue account No. 11, "Miscellaneous Transportation Revenue."

CASE 95.

(Omitted. Case now covered by the classifications.)

CASE 96.

(Omitted.)

CASE 97.

Query. To what account should be credited rent of space for a lunch counter in a passenger station?

Answer. Such rent should be credited to revenue account No. 18, "Rents of Buildings and Other Property."

CASE 98.

(Omitted. Case now covered by the classifications.)

CASE 99.

Query. To what account should be credited the amount of commissions received by a carrier for collecting premiums on insurance policies, etc., from employees?

Answer. Such amounts should be credited to revenue account No. 19, "Miscellaneous."

CASE 100.

Query. Is it contemplated that road and equipment account No. 1, "Engineering," shall include the salaries of engineers specially employed to work on plans for steel bridges, docks, and wharves in connection with construction work?

Answer. It is.

CASE 101.

Query. Is it permissible to charge discount on bonds sold for construction purposes to road and equipment account No. 47, "Interest and Commissions?"

Answer. Discounts should not be included in this account. (See Case 19.)

CASE 102.

Query. The text of road and equipment account No. 7, "Ties," reads in part, "and other ties and railway crossing timbers." Are not railway crossing timbers also provided for in account No. 15, "Crossings and Signs"? To what account should such timbers be charged?

Answer. Account No. 15, "Crossings and Signs," does not refer to railway crossings at grade.

CASE 103.

Query. The Classification of Locomotive-Miles, Car-Miles, and Train-Miles makes no provision for the division of mixed train-miles between passenger and freight. Upon what basis should this division be made?

Answer. No division between passenger and freight has been prescribed for mixed train-miles.

CASE 104.

Query. Should a train delivering ballast from the point of origin to the point where the work of spreading ballast begins be considered as a work train throughout, or as a company's material train while under running orders from point of origin to point of delivery, and as a work train during the actual delivery of ballast?

Answer. Such a train is a work train from the point of origin until it returns, irrespective of the fact that for a portion of the time it operates under running orders. See paragraph 3, page 17, of the Classification of Locomotive-Miles, etc.

CASE 105.

Query. In section 5 of the "Rules for Computing Train-Miles" on page 17 of the Classification of Locomotive-Miles, Car-Miles and Train-Miles, to which line do the words "The detouring line" refer?

Answer. "The detouring line" means the line to which the train belongs.

CASE 106.

Query. Are carriers at liberty to set up depreciation accounts as subprimary accounts under the general account Maintenance of Way and Structures?

Answer. No depreciation accounts have been prescribed by the Interstate Commerce Commission except those affecting the seven classes of equipment specifically named. It is recognized, however, that other classes of railway property are subject to depreciation, and carriers are permitted to set up subprimary accounts covering depreciation, provided that in so doing their accounts conform to the provisions of the order, dated June 3, 1907, prescribing the Classification of Operating Expenses. In such cases the names and descriptions of such subaccounts must be filed with the Interstate Commerce Commission, as provided for in the orders promulgating the classifications.

CASE 107.

(Omitted. Case now covered by the classifications and Case 36.)

CASE 108.

(Omitted.)

CASE 109.

Query. What rate per cent should be charged as depreciation on the several classes of equipment for which depreciation charges are required?

Answer. The Classification of Operating Expenses promulgated by the Commission does not state the specific rate to be charged for depreciation on any class of equipment, for the reason that the conditions under which equipment is used vary so greatly that no uniform rate of depreciation for all roads could reasonably be determined. Each reporting carrier should determine the rate to be used according to such experience tables as it may be able to construct from equipment records.

CASE 110.

(Omitted.)

CASE 111.

(Omitted.)

CASE 112.

Query. Railroad B is required under agreement with Railroad A to provide equipment to replace that destroyed or sold or to pay an equivalent in cash to A. Is it permissible for B to keep a dismantled equip-

ment account wherein to show the exact amount due A because of dismantled and sold equipment?

Answer. Such an account may be kept, provided it does not in any way impair the integrity of the accounts prescribed by the Commission.

CASE 113.

(Omitted. Case now covered by the classifications.)

CASE 114.

Query. A carrier company acquires the right to enter upon certain land and remove ballast. Should an account called "Operations of Gravel Pit at ———" be opened to cover this?

Answer. The amount paid for the rights should be charged to a clearing account, which may be designated as indicated.

CASE 115.

Query. At what time in the construction of a road is it required that the accounts be changed from Classification of Expenditures for Road and Equipment to Classification of Operating Revenues and Operating Expenses?

Answer. Accounting according to the Classifications of Operating Revenues and Operating Expenses should begin with respect to any particular part of a road as soon as that part has reached such a stage of completion that the commercial operations are the main portion of the business carried on over such part; that is to say, so long as the commercial operations are only incidental, it is not required that they be treated through the accounts provided in the Classification of Operating Revenues and the Classification of Operating Expenses. It must be considered, however, that as soon as trains begin running regularly over any part of the road, it is then appropriate to keep account of the receipts and disbursements for such part of the road through the operating expense and operating revenue accounts. However, it should be understood that any expenditures for unfinished construction work should be charged to Expenditures for Road and Equipment.

CASE 116.

Query. Railroad A owns, maintains, and operates an interlocking plant at a crossing of its own and Railroad B's tracks, for the use of which B pays interest upon its value and a proportion of the expenses of its maintenance and operation. What is the proper disposition of the debits and credits by A and B?

Answer. Railroad A should charge the expenses of maintenance and operation to its primary operating expense accounts and should credit the charges against B for interest to income account I 8, "Joint Facility Rent Income"; for maintenance to account No. 23, "Maintaining Joint Tracks, Yards, and Other Facilities—Cr."; and for operation, to account No. 78, "Operating Joint Yards and Terminals—Cr.," or to account No. 105, "Operating Joint Tracks and Facilities—Cr.," according to the location of the plant. B should charge the corresponding income and operating expense joint-facility accounts.

CASE 117.

Query. A number of connecting lines charge a carrier a proportion of the cost of operating joint interlockers, and credit "Maintaining Joint Tracks," etc., and the carrier makes similar bills against other lines. How should the expense be charged and credited?

Answer. See Cases 116 and 531.

CASE 118.

(Omitted. Covered by Case 193.)

CASE 119.

Query. If an express company pays a fixed amount annually for express privileges over a road, including facilities at stations, etc., should any part of this be applied to account No. 18, "Rents of Buildings and Other Property"?

Answer. If the contracts do not provide specific separate amounts for rent of facilities at stations, the entire fixed annual compensation should be credited to revenue account No. 6, "Express revenue."

CASE 120.

Query. How shall payments for trackage rights be accounted for when they are made upon the basis of a stipulated sum per ton or per passenger, of a proportion of revenue accruing on transportation business over the line covered by the trackage rights, or of a fixed sum per year?

Answer. Such payments should be apportioned by agreement of the parties interested into two parts, one of which is estimated to cover the maintenance and operation costs with respect to the traffic of the lessee, which portion should be included in the appropriate joint-facility expense accounts. The remaining portion should be included in joint-facility rent accounts under Income.

CASE 121.

Query. A carrier pays another road a certain sum per annum for trackage rights at a station, the charges being based on a percentage of the value of the property, the debtor company owning no interest in said property. To what account shall the debtor company charge the bill?

Answer. If the debtor company in addition to such sum bears its proportion of maintenance and operating charges, the percentage of value is a rent, and should be included in the appropriate rent accounts under Income. Otherwise the total charge should be apportioned by agreement of the parties into two parts, one of which shall cover only the element of operation and maintenance, this portion to be included in the appropriate joint-facility expense accounts. The remaining portion, representing interest on valuation and proportion of taxes, should be included in income account I 21, "Joint-Facility Rent Deductions."

CASE 122.

Query. Should amounts paid as license fees to cities for sidings on, along, or across streets be charged to taxes or to rents?

Answer. Such fees are evidently paid to the city because the railway company occupies public property. They are therefore in the nature of rents paid to a private landlord and should be charged to income account I 22, "Miscellaneous Rent Deductions."

CASE 123.

(Omitted.)

CASE 124.

(Omitted. Case covered by Case 53.)

CASE 125.

Query. Should all payments made for hire of equipment be disposed of through the account "Hire of Equipment"?

Answer. They should; except when chargeable to road and equipment, additions and betterments, or outside operations accounts, or to expense account No. 93, "Clearing Wrecks." (See Cases 195, 243, 282, 368, 417, 520, and 630.)

CASE 126.

(Omitted. Case was a duplicate of Case 52.)

CASE 127.

Query. To what account should rent for the exclusive use of lands and other property not used in the operation of the road or in outside operations be credited?

Answer. Such rents should be credited to income account I 9, "Miscellaneous Rent Income." (See Case 16.)

CASE 128.

Query. To what account should a carrier credit amounts received for permission to cross its right of way with a sewer pipe and for permission to cross over its tracks with a telephone line? The right to revoke the permission at pleasure is reserved.

Answer. The privileges given are mere licenses, and the receipts therefrom may properly be credited to income account I 18, "Miscellaneous Income."

CASE 129.

(Omitted.)

CASE 130.

Query. To what account should be credited amounts charged to other roads for transferring (switching) cars? These transfers are made necessary through fault of the other roads and the charges include actual cost of the transfer service plus per diem or car hire accruing upon the cars.

Answer. The portions of such charges covering per diem or car hire accruing on the cars at time of such transfer should be credited to account "Hire of Equipment." The remainder should be credited to account No. 9, "Switching Revenue." (See Case 131.)

CASE 131.

Query. To what accounts should be credited amounts charged to other roads for transferring the lading of cars? These transfers are made necessary through fault of the other roads, and the charges include the cost of transferring the lading, per diem or car hire accruing upon the cars, and a charge per car for switching.

Answer. The portions of such charges covering per diem or car hire accruing on cars at the time of transfer should be credited to the account "Hire of Equipment." The portions of the charges covering the cost of transferring the contents of cars should be credited to operating expense account No. 63, "Station Employees." The charges per car for switching such bad-order cars should be credited to revenue account No. 9, "Switching Revenue."

CASE 132.

Query. To what account should be charged the payments for a company's equipment used in connection with additions and betterments?

I have assumed that the credit should be given to the account "Hire of Equipment."

Answer. A fair rent of equipment used in additions and betterments work should be charged to the various additions and betterments accounts affected, and should be credited to account "Hire of Equipment."

CASE 133.

(Omitted. Case covered by Case 268.)

CASE 134.

(Omitted. Case covered by Case 636.)

CASE 135.

Query. How should the expenses of locomotives used exclusively in switching or spotting ore cars at ore docks be charged? How should their mileage be reported?

Answer. When the expenses of the ore docks are included in account No. 65, "Coal and Ore Docks," the cost of the switching service should be included in the appropriate primary operating expense accounts. Mileage of these locomotives should be included in "Switching Locomotive-Miles." When these operations are classified as outside operations, if the switching service is considered a part of the operations of the ore docks, the cost of the switching service may be included in the accounts of such operations, and mileage of these locomotives should not be included in the returns for "Switching Locomotive-Miles" in the annual reports to the Commission.

CASE 136.

Query. A railroad operates as an outside operation some of its restaurants and leases others at a nominal rent, the lessee receiving all revenues and paying all expenses with the exception that coal and ice are furnished without charge by the railroad. To what account should the railroad charge the cost of the coal and the ice thus furnished for use in the leased restaurants?

Answer. Such cost should be charged to operating expense account No. 98, "Other Expenses."

CASE 137.

Query. How may operations which should be charged to operating expense account No. 95, "Operating Floating Equipment," be dis-

tinguished from those which should be included under Outside Operations?

Answer. The operating costs chargeable to account No. 95, "Operating Floating Equipment," are those of floating equipment which is operated in connection with rail line transportation, such as car ferries operated in lieu of a bridge or tunnel, etc.

CASE 138.

Query. Sleeping cars are not listed among the cars classified as passenger-train cars in Note A under account No. 31, "Passenger-Train Cars—Repairs." Is this omission intentional?

Answer. The cost of repairs to sleeping cars that are operated as outside operations should be charged to accounts provided for such operations. The cost of repairs to sleeping cars operated by an outside company for which a carrier becomes responsible should be included in operating expense account No. 31, "Passenger-Train Cars—Repairs."

CASE 139.

(Omitted. Case covered by Case 16.)

CASE 140.

Query. A railroad purchased a dwelling, apart from the right of way, for the occupancy of the superintendent of motive power, taking the title thereto in the name of a vice-president, who filed with the railroad a declaration of trust. How should this expenditure be classified?

Answer. Such expenditure should be included in general balance sheet account B 6, "Miscellaneous Investments."

CASE 141.

(Omitted. Case covered by Case 16.)

CASE 142.

Query. A railroad charges tenants of its warehouses a stated price per cubic foot per annum for refrigeration. How should it credit these charges?

Answer. If the cost of such refrigeration can be determined with reasonable accuracy, the cost, as also the receipts for refrigeration, should be included under Outside Operations—Cold-Storage Plants; otherwise the receipts should be credited to revenue account No. 19, "Miscellaneous."

CASE 143.

Query. A railroad has tug and barge lines carrying coal from Z harbor to points on the Y coast. May these operations be treated as outside operations; and if so, under which of the accounts prescribed?

Answer. Such operations may be accounted for under Outside Operations—"Boat Lines."

CASE 144.

Query. To what account should be credited the value of track material taken up, such as scrap angle bars, frogs, etc.?

Answer. The value of such material should be credited to the cost of the work in connection with which it is taken up.

CASE 145.

Query. Where 63-pound rail is replaced with new 80-pound rail and 56-pound rail in another main line is replaced with the 63-pound rail released by the new rail, is the betterment the difference between the 80-pound rail and the 56-pound rail finally released?

Answer. It is, so far as the question of weight is a factor in determining the amount of betterment. See text of additions and betterments account A 8, "Increased Weight of Rail."

CASE 146.

Query. When operators are stationed at points along the line to protect trains while construction work is being done—for instance, rebuilding of bridges—should their pay be charged to the cost of the work on which engaged or to Operating Expenses?

Answer. The pay of operators while thus engaged should be charged to Operating Expenses.

CASE 147.

Query. Is it proper to charge the cost of equipping locomotives with electric headlights to account "Locomotives—Replacement?"

Answer. It is not. Additions and betterments to equipment should be charged as provided in text of additions and betterments account A 33, "Equipment."

CASE 148.

Query. Is it permissible to charge to Additions and Betterments the excess cost of substituting rock ballast where gravel ballast had previously been used?

Answer. See Case 434.

CASE 149.

(Omitted. Case covered by Case 537.)

CASE 150.

Query. To what account under Additions and Betterments is the cost of the initial installation of track scales chargeable?

Answer. The cost of the initial installation of track scales should be included in additions and betterments account A 35, "Other Additions and Betterments."

CASE 151.

Query. A road is operated to bring ore from mines and carry supplies to those mines. Should all expenditures for improvements be charged to Operating Expenses?

Answer. The cost of all such improvements should be charged as directed in paragraph 2 of the General Instructions in the Classification of Expenditures for Additions and Betterments.

CASE 152.

Query. To what account should be charged the rent of ballast cars used in the first delivery of ballast?

Answer. Such rent should be charged to additions and betterments account A 11, "Ballast," if the equipment is used in work which is a betterment to the previously existing track; to road and equipment account No. 33, "Rent of Equipment," if the road is not completed. (See Case 266.)

CASE 153.

Query. What accounts should be charged with the loss on obsolete material which is taken out of stock and sold as scrap?

Answer. Such loss should be charged to the accounts to which the material ordinarily would be charged if issued for use.

CASE 154.

Query. To what accounts should the pay and expenses of employees engaged in the purchase, care, and distribution of stationery supplies be charged?

Answer. These expenditures should be charged to clearing account "Stationer's expenses," and from that account should be charged to the primary accounts to which the stationery issued is charged, apportionment being upon the basis of the charges for the stationery distributed.

CASE 155.

Query. Note B, under operating expense account No. 3, "Ties," reads as follows: "This account may include each month a proportion of the total amount authorized or approximated for renewals during the fiscal year regardless of the month in which the actual renewal is made." Where, on account of the large variations in the expenses on account of injuries to persons, stationery and printing, and loss and damage, it has been the practice to treat such expenses in a similar manner through reserve accounts, charging to expenses estimates of the averages of such expenses, may the practice be continued?

Answer. Such a practice may be continued, provided the charges to expenses for each year are adjusted as nearly as possible to the actual accruals. Credit balances in the reserve accounts under this plan should be reported under balance sheet account B 45, "Operating Reserves," and such reserve balances should be carried until the liabilities for which they were created are liquidated or adjusted.

CASE 156.

Query. Where the general manager of the railroad has immediate supervision over all departments and is also the purchasing agent, how should his salary and expenses be apportioned?

Answer. His salary and expenses should be apportioned in accordance with Note B under expense account No. 1, "Superintendence."

CASE 157.

Query. Where a large number of temporary sidings and spur tracks are put in each year to serve mines, lumber operations, etc., is it permissible to charge the cost of the ties, spikes, labor of grading, and track laying and surfacing to Operating Expenses, and when old rails, angle bars, and switches are used to make no charge for such material? May the cost of such temporary tracks (except track material) be charged to Operating Expenses?

Answer. The property accounts should at all times represent the actual investment, and the treatment of the cost of sidings and spur tracks should be in accordance with the text of additions and betterments account A 13, "Sidings and Spur Tracks." (See Case 560.)

CASE 158.

Query. In the business of transporting ore from mines a company is continually obliged to install tracks at mines to reach stock piles and ore bodies, these tracks being continually relocated and removed.

How shall the cost of installing and changing these tracks be considered and may new primary accounts be established to cover this?

Answer. It is proper to consider the cost of relocating and changing these tracks an operating expense. It is not permissible to set up new primary accounts. Subprimary accounts under the various primary accounts promulgated may be set up in accordance with the order of the Interstate Commerce Commission of June 3, 1907, relative thereto. (See Case 157.)

CASE 159.

Query. Does the word "joint," in the titles of primary accounts No. 22, "Maintaining Joint Tracks, Yards, and Other Facilities—Dr.," and No. 23, "Maintaining Joint Tracks, Yards, and Other Facilities—Cr.," etc., indicate joint ownership of the property?

Answer. It does not. The word "joint" indicates merely joint use.

CASE 160.

Query. A portion of Railroad A's tracks is operated jointly by A and Railroad B. A charges B rent based on the valuation of the property. B maintains and operates these tracks and is reimbursed by A for a portion of such expenses, reckoned upon a wheelage basis. What is the correct accounting?

Answer. Both roads should include the rent in joint-facility rent accounts in Income. The cost of maintenance and operation should be included in B's primary accounts; the proportion of such cost paid by A should be included by both roads in the appropriate joint-facility expense accounts. (See Case 268.)

CASE 161.

Query. Railroad B uses Railroad A's station and yards and pays A a proportion of expenses of maintaining and operating these facilities. How should expenses be treated by both roads?

Answer. The accounting should be as explained in Case 116.

CASE 162.

Query. Is it proper to charge operating expense accounts No. 3, "Ties," and No. 4, "Rails," only the authorized or approximated amounts for renewals during the fiscal year, or may the charges to these accounts provide for a period beyond the fiscal year?

Answer. The operating expenses of any year should include only the actual cost of maintenance during the year. In special cases, on account of unusually large expenditures for maintenance in one year,

carriers may, when so authorized by the Commission, distribute such expenses over a longer period, the length of the period to be determined at the time that the authority is given.

CASE 163.

Query. In case cinders at ash pits are loaded by employees of the roadway department, is it permissible to include the cost of the work in expense account No. 2, "Ballast"?

Answer. It is not. The cost should be charged to the appropriate enginehouse expense account in accordance with Note A under account No. 2, "Ballast."

CASE 164.

Query. If a trackman is injured by a freight or passenger train, should the expense or settlement of that injury be charged to "Maintenance of Way—Injuries to Persons," or "Transportation Expenses—Injuries to Persons"?

Answer. Such expenses should be included in account No. 103, "Injuries to Persons," under Transportation Expenses.

CASE 165.

Query. To what account should be charged expenses and settlement payments on account of injuries to a prospective passenger by a maintenance-of-way work train?

Answer. Such expenses and settlements should be charged to maintenance expense account No. 19, "Injuries to Persons." The class of train causing the injury should determine the distribution of the charge.

CASE 166.

(Omitted.)

CASE 167.

Query. Is it proper for a carrier whose traffic, consisting of coal and ore, is chiefly transported during the lake navigation period, to distribute its annual depreciation charges for the year over the eight months in which the bulk of its revenue is earned?

Answer. There should be charged to Operating Expenses each month such an amount as may be determined as fairly representing the actual depreciation or loss in value of equipment in service. Such charges are designed to cover the consumption of capital invested in property. While this consumption of capital is probably greater during the months of active service, a considerable portion occurs

regardless of the extent of the service, obsolescence being clearly independent of the service performed.

In the event that depreciation is not charged at a uniform monthly rate, the rates used in such charges for the several months of the year should be filed with the Division of Carriers' Accounts of the Interstate Commerce Commission.

CASE 168.

Query. What rate of depreciation should be charged by a carrier upon its equipment, all of which is old and suitable for service varying from 3 to 15 years?

Answer. Until otherwise directed, the rate of depreciation should be determined according to a carrier's experience and best source of information as to the actual average of accruals of such expenses. (See Case 109.)

CASE 169.

Query. A new freight car was destroyed in the month of July—no depreciation thus far had been charged. What is the proper treatment of this matter?

Answer. The details of the accounting are described in paragraph 2 of the text of additions and betterments account A 33, "Equipment." Carriers have the option of basing their monthly depreciation of equipment charges upon the equipment actually in service at either the beginning or the end of the month for which the charges are made.

CASE 170.

(Omitted. Case covered by Case 421.)

CASE 171.

(Omitted on account of changes in the classifications.)

CASE 172.

Query. Through what account should be made the adjustment of the equipment account to inventory values as of July 1, 1907?

Answer. Such adjustments should be made through Profit and Loss. (See Case 566.)

CASE 173.

Query. Railroad A makes all repairs to Railroad B's equipment and charges B the actual cost thereof. For the purpose of deter-

mining accurately the cost of these repairs is it permissible that the operations of A's shops be treated through a clearing account?

Answer. It is.

CASE 174.

Query. If it is not possible to preserve the identity of the scrap from each locomotive or car torn down, is it permissible to use careful estimates in determining the salvage values for accounting purposes?

Answer. It is.

CASE 175.

Query. Is it permissible to make charges to the renewals accounts except as equipment is condemned, destroyed, or sold?

Answer. It is not permissible. These accounts are intended for use only when equipment is retired from service. (See Case 421.)

CASE 176.

Query. To what account should be credited the amount collected by a carrier from a foreign line to cover the depreciated value of a car destroyed?

Answer. Such amount should be credited to additions and betterments account A 33, "Equipment." (See Case 421.)

CASE 177.

Query. Should the expenses, such as fuel and supplies used in a power house which furnishes power for running shop machines and for electric lights in passenger station, freight office, and other buildings, be prorated upon the basis of the power furnished, through the medium of a clearing account, to the appropriate primary accounts?

Answer. They should.

CASE 178.

Query. Where a power house supplies electric light for a passenger station, freight houses, warehouses, and train shed; furnishes heat for station, freight houses, and warehouses, as also refrigeration for cooling boxes in the warehouses, should the expenses of maintenance be charged to account No. 47, "Power Plant Equipment," and the expense of operation to account No. 86, "Operating Power Plants"?

Answer. The expenses of operating such a power plant may be treated through a clearing account and distributed to the various accounts chargeable with the products furnished. The repairs to the building and the machinery therein should be charged to account No. 16, "Buildings, Fixtures, and Grounds."

CASE 179.

Query. Should it be understood that the total charges to the clearing account, "Shop Expenses" shall be distributed only among the accounts specially mentioned in the official classification in that connection, or may the distribution be made over all the accounts affected?

Answer. The distribution should be made upon the basis of distributed labor over all accounts affected.

CASE 180.

Query. What is the proper accounting for the cost of maintenance and operation of a power plant which is used to generate current for purposes other than the propulsion of electric locomotives, trains, or cars, and the operation of which is not treated as an outside operation?

Answer. If the power furnished by the plant is used for shop purposes, the cost of operation should be cleared through clearing account "Shop Expenses"; and the cost of maintaining the buildings should be included in account No. 16, "Buildings, Fixtures, and Grounds," and the cost of maintaining the machinery in account No. 46, "Shop Machinery and Tools." (See Cases 58, 59, and 179.)

If used for other purposes, a separate clearing account should be provided through which the expenses of operation should be cleared to the proper accounts. (See Case 178.)

CASE 181.

Query. Should one-twelfth of the yearly insurance premiums upon company material in stock be charged each month to "Store Expenses" and prorated over the monthly issues?

Answer. Operating expense account No. 110, "Insurance," in the Classification of Operating Expenses includes all premiums made or paid by a carrier to its insurance fund and premiums (except reinsurance premiums) paid by it to insurance companies; therefore the monthly proportion of premiums referred to in query should be charged directly to that account.

CASE 182.

Query. To what account should be charged the cost of insurance on floating equipment?

Answer. When the operations of the equipment are included in expense account No. 95, "Operating Floating Equipment," the cost of the insurance should be included in account No. 110, "Insurance";

when the operations of the equipment are treated as outside operations, the cost of the insurance should be included in the appropriate accounts under Outside Operations.

CASE 183.

Query. Does the text of clearing account "Shop Expenses" require that certain designated expenses shall be charged to that account and that the account shall be closed monthly into the primary accounts upon the basis of the labor distributed directly to such primary accounts?

Answer. It does.

CASE 184.

Query. Referring to Note C under operating expense account No. 106, "Salaries and Expenses of General Officers," is the pay of purchasing agents, storekeepers, etc., chargeable to material accounts through the clearing account "Store Expenses," and should such expense be added to the cost of material?

Answer. The pay of purchasing agents, storekeepers, etc., should, when their services are entirely devoted to the purchasing and handling of materials, be charged to the clearing account "Store Expenses" and distributed upon the basis of the value of the material issued from the storehouses.

CASE 185.

Query. Referring to the clearing account "Store Expenses," in Classification of Operating Expenses, to what primary accounts should the storehouse expenses and purchasing department expenses be apportioned? Should not the total expenses be charged to material account and the cost of material increased accordingly? All material issued through the storeroom is purchased through the purchasing department, and issued from the storeroom by the same department.

Answer. Such expenses should be charged to clearing account "Store Expenses" and distributed upon the basis of the value of the material issued, to the operating expense or other accounts. (*See Case 184.*)

CASE 186.

(Omitted.)

CASE 187.

(Omitted.)

CASE 188.

(Omitted. Case covered by Cases 189 and 190.)

CASE 189.

Query. If a road locomotive performs yard service during a part of the day in a yard where regular switching service is maintained, is it permissible to class the entire expenses of such road locomotive as road locomotive expenses?

Answer. The expense of the service of the road locomotive should be apportioned between road and yard service on the basis of the service rendered.

CASE 190.

Query. The A Railroad has no regular yard crews, the road crews making up their own trains at terminals before leaving. May the expense be divided between yard and road service on the basis of mileage, using 6 miles per hour constructive mileage for yard work?

Answer. The expense should be divided between yard and road service on the basis of service rendered. The basis suggested is approved.

CASE 191.

Query. A railroad less than 10 miles in length does interchange switching between a number of roads which it crosses and performs switching service between connecting carriers and industries located upon its tracks. The traffic is practically all freight and is moved at a fixed rate per car, no charge being made for the movement of empty cars. In what accounts should operating revenues and expenses be included?

Answer. The revenue should be included in revenue account No. 9, "Switching Revenue," and the expenses should be charged to yard expense accounts wherever the classifications require a separation between yard and road expenses.

CASE 192.

Query. A terminal road is engaged in switching cars between industries and railways. Should the transportation expenses be reported as yard expense or road expense?

Answer. If the operation is exclusively a switching service, the revenues being properly creditable to revenue account No. 9, "Switching Revenue," the expenses should be included in the yard expense accounts.

CASE 193.

Query. Railroad A pays the salary of the agent and his assistants at a station where some switching is performed although there is no regular

yard, and charges Railroad B with one-half of such expenses. Should the proportion paid by B be included in the joint-facility accounts?

Answer. Expenses on account of employees should be treated through the joint-facility accounts only when the employees are engaged in maintaining or operating joint facilities. If the station referred to is not operated as a joint facility, all accounting entries should be in the primary accounts. If the station is operated as a joint facility, the railroad which pays the employees should include their salaries in account No. 63, "Station Employees," and the proportion paid by the other railroad should be included according to the location of the station in accounts "Operating Joint Yards and Terminals" or "Operating Joint Tracks and Facilities," by both railroads.

CASE 194.

Query. What account should be credited with money received from other railroads for water furnished their locomotives?

Answer. The money should be credited to the account to which the cost of the water was originally charged.

CASE 195.

Query. The A Railway runs its equipment and crews from F (the junction between that line and Railroad B's line) over B's lines to H and return, for which B pays A a rate per mile for passenger locomotive service when in regular runs. When run in special passenger service or freight service, B pays A a higher rate per mile. How shall B dispose of these charges?

Answer. The two carriers interested should agree upon an apportionment of the mileage charge, and the portion allotted to the locomotive should be passed through the "Hire of Equipment" account; the portions allotted to enginemen, fuel, water, waste, etc., should be passed through the appropriate primary operating expense accounts. Statistics of miles made between the two points should be reported by B.

CASE 196.

Query. To what account should labor of lighting switch lamps be charged?

Answer. If not at terminals, it should be charged to account No. 63, "Station Employees;" if at terminals, it should be charged to account No. 69, "Yard Switch and Signal Tenders."

CASE 197.

Query. To what account should be charged care of switch lamps at stations along the line?

Answer. If at stations at which no regular switching service is maintained, the labor should be charged to account No. 63, "Station Employees," and the supplies to account No. 66, "Station Supplies and Expenses."

CASE 198.

(Omitted. Case now covered by the classifications.)

CASE 199.

Query. Under the rules of a produce exchange there is a deputy inspector of weights who attends to all loading of grain for export at a terminal. His salary is paid by the produce exchange. His duties are to inspect, measure, and grade the grain. It occasionally happens that the carrier wants to load this grain out of hours, and in order to have the services of this man after working hours and on Sunday it has to pay for such services. To what account should such payments be charged?

Answer. To account No. 63, "Station Employees," if not incidental to an outside operation.

CASE 200.

Query. To what account should be charged stationery and printing expenses incurred on account of operating floating equipment?

Answer. Such expenses should be charged to transportation expense account No. 97, "Stationery and Printing," if not incidental to outside operations.

CASE 201.

Query. To what account should be charged the salary of superintendent of water service who is exclusively employed in superintending the production of treated water for use of locomotives?

Answer. It should be apportioned to expense account No. 74, "Water for Yard Locomotives," and account No. 83, "Water for Road Locomotives," as provided in the Supplement to the Classification of Operating Expenses.

CASE 202.

Query. How shall a carrier dispose of amounts allowed for loyal service and overtime work of certain employees during a strike?

Answer. Such allowances should be distributed to the accounts to which the regular pay of the employees is charged.

CASE 203.

(Omitted. Case now covered by the classifications.)

CASE 204.

Query. To what account should be charged the pay of gatemen who operate gates which are in reality signals at railroad crossings—not highway crossings?

Answer. The pay of gatemen while thus employed should be charged to account No. 90, "Interlockers and Block and Other Signals—Operation."

CASE 205.

Query. To what account shall expenses, such as car fare, traveling expenses, etc., of station employees be charged?

Answer. Such expenses should be charged to account No. 66, "Station Supplies and Expenses."

CASE 206.

Query. In what account should be included switching charges which it is customary to make upon cars which are transferred at junction points on account of not passing inspection?

Answer. The creditor should include these charges in revenue account No. 9, "Switching Revenue," and the debtor in expense account No. 98, "Other Expenses."

CASE 207.

Query. To what account should be charged the cost of exchange on checks cashed or deposited and the cost of drafts purchased?

Answer. Such costs should be included in account No. 114, "Other Expenses."

CASE 208.

Query. A company appropriates a certain amount annually to a pension fund. The amount of pensions actually paid during the past year was less than the amount appropriated. How should these amounts be treated?

Answer. The amount devoted annually to the pension fund can not be considered a proper charge to Operating Expenses. Operating Expenses are chargeable only with amounts of pensions paid to retired employees and expenses in connection therewith. (See Case 302.)

CASE 209.

Query. In what accounts should be included the pay and expenses of—

- (a) An auditor who acts as general bookkeeper?
- (b) A general superintendent who is responsible for the whole local management of the road?
- (c) A general agent who acts as clerk to the general superintendent and as local agent at the only station where there is an agent?

Answer. Such expenses should be included as follows:

- (a) Expense account No. 106, "Salaries and Expenses of General Officers."
- (b) Should be apportioned as directed in the note under account No. 61, "Superintendence."
- (c) The proportion covering services as clerk should be apportioned in accordance with the note under account No. 61, "Superintendence," and the remainder should be included in account No. 63, "Station Employees."

CASE 210.

(Omitted. Case now covered by classifications.)

CASE 211.

Query. Is it permissible to charge claims paid during the fiscal year against a reserve set up for freight overcharges and to make such further accruals by charges to revenue accounts as may be necessary to cover estimate of existing overcharge claims, thus maintaining a sufficient reserve to cover approximately all outstanding overcharge claims at any given time?

Answer. It is. Reserves thus created through charges to revenue accounts should be carried in general balance sheet account B 45, "Operating Reserves," until the liabilities for which they were created are liquidated. (See Cases 4 and 155.)

CASE 212.

Query. For several years past Railroad A has paid the A B Company a proportion of the cost of towing A B's boats to and from A's wharf at Y in lieu of cartage expense. Is it proper for A to charge the cost of this service to "Freight Revenue?"

Answer. It is.

CASE 213.

Query. To what accounts should be charged freight revenue on a carrier's line and on foreign lines, refunded on account of errors of the carrier in routing freight?

Answer. The road making the error should charge its proportion of the revenue refunded to account No. 1, "Freight Revenue," and foreign roads' proportions to expense account No. 98, "Other Expenses." (See Case 519.)

CASE 214.

Query. On a car received by a carrier from a connecting line certain switching was necessary at X Junction, the charge for which was absorbed by the carrier. A portion of this switching charge absorbed was recovered from another connecting line. How shall this matter be treated?

Answer. The net switching charge absorbed should be charged to the account to which the revenue upon the shipment was credited.

CASE 215.

Query. The tracks, station buildings, and other facilities between X and Y, owned by Railroad A, are used jointly by A and Railroad B. For the use of these tracks B pays A a specified rent upon a valuation basis, proportion of cost of maintenance upon a wheelage basis, and agreed proportion of the cost of station service (principally train telegraph service).

B's trains handle A's local freight and passenger business between these points in consideration of a stipulated percentage of revenue. What is the correct accounting by both railroads?

Answer. The specified rent should be included in the joint-facility rent accounts in Income. Proportion of cost of maintenance and operation should be included in the appropriate joint-facility operating expense accounts.

The proportion of the cost of maintaining and operating these tracks being provided for in a distinct arrangement, the percentage of revenue upon local business retained by A should be considered as additional rent and should be included in the appropriate joint facility accounts in Income.

Railroad B should include in its revenues the entire receipts of the local freight and passenger traffic between X and Y.

CASE 216.

Query. A train stops at X, but tickets to that point can not be bought for this train. The first point beyond to which a ticket may be bought is Y. It sometimes happens that a party desiring to get to X in a

hurry buys a ticket to Y and leaves the train at X, thus leaving an unused portion of the ticket in the hands of the conductor, which is returned to the auditor of passenger accounts. Or, in the case of reduced rate, a person desiring to visit an intermediate point will buy an excursion ticket and not use it to destination. How should these cases be treated?

Answer. The full amount received from the sale of the ticket should be credited to revenue account No. 2, "Passenger Revenue."

CASE 217.

(Omitted.)

CASE 218.

Query. Railroad B enters a terminal over Railroad A's line. A charges B for switching cars in this terminal both when B does and does not participate in the earnings (the charges in the latter case being higher), and in some cases whether the cars be loaded or empty. How should the various switching charges be treated?

Answer. Such charges on loaded cars should be charged by A to revenue account No. 1, "Freight Revenue;" switching charges on empty cars, when not in connection with loaded movements, should be charged to account No. 98, "Other Expenses." When the empty movement is in connection with a loaded movement and wholly incident thereto, the amount paid therefor should be charged to revenue account No. 1, "Freight Revenue." The charges should be credited by road A to account No. 9, "Switching Revenue."

CASE 219.

Query. Grain is transported to X and is there transferred from cars to elevators. Railroad companies receiving grain from such elevators for transportation pay to the elevator company a certain rate per bushel. In what account should such charges be included?

Answer. Such charges should be included in revenue account No. 1, "Freight Revenue."

CASE 220.

Query. Where a carrier pays industrial concerns the tariff rates for switching instead of performing the service itself, in what account should the payments be included?

Answer. If the switching service is provided for in the through rate, the payments should be charged to revenue account No. 1, "Freight Revenue."

If the carrier's revenue for the switching service is included in revenue account No. 9, "Switching Revenue," the payments should be charged to that account.

CASE 221.

Query. In the case of passenger trains run under a guaranty, the revenue being divided between "Passenger Revenue" and "Other Passenger-train Revenue," how should the mileage of such trains be treated?

Answer. Such mileage should be classed as "Passenger-train Miles," unless the train is a mixed train. (See Case 85.)

CASE 222.

Query. How should the revenues be classified when a carrier furnishes picnic trains on the following basis:

(a) At an agreed price per car regardless of the number of people handled?

(b) At a certain rate per passenger with a guaranty of a certain minimum revenue?

Answer. (a) Revenue based on the agreed price per car should be included in account No. 10, "Special Service Train Revenue."

(b) Revenue based upon the rate per passenger should be included in account No. 2, "Passenger Revenue," and additional payments under the guaranty in account No. 8, "Other Passenger-Train Revenue."

CASE 223.

Query. Circus trains are handled between stations at a lump sum for a train, with a limitation as to the number of people carried. Should the revenue be credited to revenue account No. 10, "Special Service Train Revenue?"

Answer. It should.

CASE 224.

Query. How should the statistics of passengers and of miles be treated in cases in which the revenue of picnic trains, charter trains, and theatrical trains is creditable to account No. 10, "Special Service Train Revenue?"

Answer. No accounts need be kept of passengers and passenger miles if the revenue is properly creditable to revenue account No. 10, "Special Service Train Revenue."

The train-miles, car-miles, and locomotive-miles should be classified as "Special Train-Miles," etc.

CASE 225.

Query. A carrier derives revenue from transferring trains of other railroad companies over a portion of its tracks with its own power, for which it charges a certain rate per car. What disposition should be made of this revenue?

Answer. If the amount received is in lieu of a division of freight revenue, and the service can not be classed as switching, the revenue should be credited to account No. 1, "Freight Revenue," and the freight statistics should be reported accordingly. If not in lieu of a division of freight revenue or not classifiable as switching revenue, the credit should be to revenue account No. 11, "Miscellaneous Transportation Revenue."

CASE 226.

Query. How should the revenue from parlor-car service be treated?

Answer. When the parlor-car service is not treated as an outside operation, such revenue should be credited to revenue account No. 4, "Parlor and Chair-Car Revenue."

CASE 227.

Query. A carrier ran a special train from A to B, destined to a point beyond, and required for the service a guaranty. Tickets collected amounted for the carrier's portion to less than the guaranty. It collected the remainder from roads beyond. How shall the amount collected under the guaranty be accounted for?

Answer. The portion collected under the guaranty should be credited to revenue account No. 8, "Other Passenger-Train Revenue." (See Cases 85, 221, and 222.)

CASE 228.

Query. A locomotive and crew perform service for an industry in shifting cars within the yard of the industry, the charge being made at a rate per hour to cover the entire time of the locomotive and crew, including the time running to and from the industry. How should the service performed and the revenue derived therefrom be treated?

Answer. The service performed should be considered as switching service and the revenue as switching revenue.

CASE 229.

Query. Garnishment suits are frequently entered against railroads for amounts due from them to other parties. In certain States the garnishee is allowed a fee for answering such suits. To what account should these fees be credited?

Answer. Garnishee fees should be included in revenue account No. 19, "Miscellaneous."

CASE 230

Query. To what account should sale of gravel from a company's gravel pit be credited?

Answer. The profit should be credited to revenue account No. 19, "Miscellaneous." The average cost of production should be credited to the ballast clearing account.

CASE 231.

Query. Is the "Car-Service" account to be credited with the amount of car service accruing in the current month or only with the amount actually paid during that month?

Answer. Credits to revenue account No. 16, "Car Service," should be upon the basis of accruals.

CASE 232.

Query. To what account should amounts realized from the sale of cinders be credited?

Answer. Such amounts should be credited to revenue account No. 19, "Miscellaneous."

CASE 233.

Query. To what accounts should be credited amounts collected for dumpage and for rent of coal trestles?

Answer. Charges for dumpage when not considered freight storage should be credited to revenue account No. 19, "Miscellaneous." Charges for rent of coal trestles should be credited to revenue account No. 18, "Rents of Buildings and Other Property," or to income account I 9, "Miscellaneous Rent Income" as may be appropriate.

CASE 234.

Query. A road pays commissions with its securities and charges the market value thereof to its construction accounts. To what account should be charged the difference between the par value and the market value of these securities?

Answer. The difference between the cash value of securities given as a commission and the par value of such securities should be charged to balance-sheet account B 20, "Unextinguished Discount on Securities."

CASE 235.

Query. A railroad company acquired from another company (whose property it purchased en bloc) a number of freight cars in bad condition, which are not used in operating its property, but are held for work in grading, etc., and repairs have heretofore been charged to the work benefited. Is this method of accounting approved?

Answer. It is if the cars are used on additions and betterments work. In reclassification of the charges to the additions and betterments accounts the cost of the repairs of this equipment should be included in road and equipment account No. 34, "Repairs of Equipment." (See Case 483.)

CASE 236.

Query. To what account should a carrier charge the cost of a log loader? This loader is not assigned or in any way attached to any particular car, and when not in use by the owning company will be used by outside parties at an agreed rate.

Answer. The cost of this log loader should, if chargeable to Operating Expenses, be charged to account No. 66, "Station Supplies and Expenses;" if chargeable to property account as first equipment of a new road, to road and equipment account No. 18, "Station Buildings and Fixtures;" if an addition to a road already in operation, to additions and betterments account A 21, "Station Buildings and Fixtures."

CASE 237.

Query. The Classification of Locomotive-Miles, Car-Miles, and Train-Miles makes no provision for motor or trailer mileage. Both of these kinds of mileage are a very large factor in the total miles on some roads. Please advise how they should be classified.

Answer. The motor-miles may be disposed of through a subaccount under "Locomotive-Miles" and the trailer-miles, through a subaccount or accounts under "Car-Miles."

CASE 238.

Query. How should miles run by nonrevenue cars in revenue trains be classified?

Answer. Such miles should be classified as revenue car-miles.

CASE 239.

Query. With regard to the provision under "Switching Locomotive-Miles," that switching miles shall be computed at the rate of 6 miles per hour for the actual time engaged in such service in excess of one

hour at any one station, is it to be inferred that no mileage should be computed for the first hour?

Answer. The rule requires that no switching mileage should be taken into account for a locomotive in road service unless the locomotive is engaged in switching service more than one hour at a particular station. If a road locomotive is engaged more than one hour, the rule is that the mileage should be computed at the rate of 6 miles per hour for only the excess time over one hour.

CASE 240.

Query. How should the miles made by switching locomotives in yard service be computed?

Answer. Miles made by switching locomotives in yard service should be computed at the rate of 6 miles an hour.

CASE 241.

Query. In case of a contract for the movement of circus cars at a lump sum, if the cars are moved in regular freight trains and not by special movement, shall the mileage be reported as "Freight Train-Miles" or as "Special Train-Miles," and if the latter, how can division be made? To what account should the revenue be credited?

Answer. If the circus cars carry passengers, a portion of the lump sum, determined by the accounting officer, should be credited to account No. 2, "Passenger Revenue," and the remainder included in account No. 1, "Freight Revenue." The mileage of the train should be reported as "Freight Train-Miles" and the mileage of the cars according to their individual use.

CASE 242.

Query. Should car mileage be kept under the four heads, "Freight Car-miles," "Passenger Car-miles," "Special Car-miles," and "Non-revenue Service Car-miles," or more in detail, as "Freight Car-miles—Loaded;" "Freight Car-miles—Empty;" "Freight Car-miles—Caboose;" "Passenger Car-miles—Passenger Cars;" "Passenger Car-miles—Sleeping, Parlor, and Observation;" "Passenger Car-miles—Other Passenger-train Cars;" "Special Car-miles—Freight, Loaded;" "Special Car-miles—Freight, Empty;" "Special Car-miles—Caboose;" "Special Car-miles—Passenger;" "Special Car-miles—Sleeping, Parlor, and Observation;" "Special Car-miles—Other Passenger-train Cars;" "Nonrevenue Service Car-miles?"

Answer. The car mileage should be kept in the fuller detail, using the 13 accounts as given.

CASE 243.

Query. In clearing a wreck it is necessary to use the wrecking train, engine, and crew of another company. What is the proper classification of the charge for the service?

Answer. Amounts paid for use of wrecking engine, crew, and derrick of another company hired in emergency to clear a wreck should be charged to account No. 93, "Clearing Wrecks." The company furnishing the wrecking outfit should credit the amounts for actual service performed to the primary accounts affected and credit the amounts charged as rent of equipment to "Hire of Equipment."

CASE 244.

Query. What is the proper classification of expenses for the stationery and printing used by outside agents, advertising department, and fast-freight lines?

Answer. Account No. 59, "Stationery and Printing," in Traffic Expenses, includes all stationery used in traffic department, except stationery used by traffic associations, fast-freight lines, and industrial and immigration bureaus. Stationery used by traffic associations, fast-freight lines, and industrial and immigration bureaus should be charged to the primary accounts provided for the expenses of these special lines of service.

CASE 245.

(Omitted. Case now covered by the classifications.)

CASE 246.

Query. To what account should be credited the slight profits accruing from percentages added to bills against other companies and individuals to cover superintendence, use of tools, etc.?

Answer. Such profits should be credited to Operating Expenses. (See Cases 262 and 394.)

CASE 247.

Query. How should bills covering joint-facility items which have been included in the primary accounts of the creditor prior to July 1, 1907, be charged by the debtor when taken up subsequently to that date?

Answer. Expenses which enter into accounts subsequently to July 1, 1907, on account of joint facilities of all kinds, should be included in the joint-facility accounts.

CASE 248.

Query. Under Maintenance of Equipment—"Superintendence"—are included the words "general foremen." What is meant by this term and in what respect are such employees distinguished from shop foremen as shown under the clearing account, "Shop Expenses?"

Answer. "Shop foremen" ordinarily includes foremen of departments, such as machine shop, boiler shop, blacksmith shop, etc. "General foremen" have jurisdiction over the several departmental or shop foremen. Where a single foreman has charge of all shops without the assistance of departmental foremen, he should be regarded as a shop foreman.

CASE 249.

Query. Should per diem reclaims be treated as a matter of hire of equipment?

Answer. Reclaims should be treated the same as per diem payments and disposed of through the account, "Hire of Equipment."

CASE 250.

Query. In addition to paying other companies a proportion of the cost of maintaining joint tracks, maintaining joint equipment, operating joint tracks, and general administration of joint tracks, a carrier pays a flat rent per annum. To what account should the rent be charged?

Answer. The rent should be charged to income account I 21, "Joint Facility Rent Deductions."

CASE 251.

Query. To what account should the salary of a station agent who also acts as a copy operator for dispatching trains be charged?

Answer. The salary of an agent thus employed should be charged to expense account No. 63, "Station Employees."

CASE 252.

Query. To what account should be credited amounts received from tenants for the privilege of cutting hay along our right of way?

Answer. Amounts received for such privileges should be credited to revenue account No. 19, "Miscellaneous."

CASE 253.

(Omitted. Case now covered by the classifications.)

CASE 254.

Query. To what account should be charged the payments for the use of an air-brake instruction car for the purpose of instructing maintenance of equipment and transportation department employees?

Answer. Such payments should be charged to expense account No. 61, "Superintendence."

CASE 255.

Query. Railroad A's land and tax commissioner has charge of land and tax matters for Railroad B. How should B charge payments of its proportion of this man's salary?

Answer. B should charge such payments to account No. 106, "Salaries and Expenses of General Officers."

CASE 256.

(Omitted. Case now covered by the classifications.)

CASE 257.

Query. Is the text of clearing account—"Shop Expenses"—which requires the apportionment of certain items of labor among the various accounts on the basis of the distributed labor charged, in conflict with M. C. B. Rule No. 104?

Answer. There is no conflict. M. C. B. rules govern charges between carriers and do not apply to operating expense accounts.

CASE 258.

(Omitted. Case covered by Case 193.)

CASE 259.

Query. To what account should be credited the amounts received for switching a private car and its occupants from one railroad to another as a part of a regular transportation movement?

Answer. Such switching earnings should be credited to revenue account No. 9, "Switching Revenue."

CASE 260.

Query. To what account should be credited the amounts received for switching express cars from one railroad to another as a part of a regular transportation movement?

Answer. Amounts received for such services should be credited to revenue account No. 9, "Switching Revenue."

CASE 261.

Query. To what account should coupons found in covers of interchangeable mileage books returned for redemption be credited?

To what accounts should be credited the value of coupons from mileage books which remain unrepresented after the expiration of the limit of the ticket?

To what account should be credited amounts of unclaimed penalty collections on trains; also, unclaimed redeemable portions of mileage tickets and credentials?

Answer. Such items should be credited to revenue account No. 8, "Other Passenger Train Revenue."

CASE 262.

Query. How should the percentage added to labor, representing the use of tools, superintendence, etc., and the percentage added to material, covering the cost of handling, transporting, and accounting, be credited?

Answer. The amounts based upon such percentages should be credited to Operating Expenses. (See Cases 246 and 584.)

CASE 263.

Query. Railroad B delivers, with its own power, over the tracks of Railroad A, live stock to stockyards D. How should amounts paid by B for use of these tracks be treated?

Answer. See Case 268.

CASE 264.

Query. To what "supervision" does the text of the several equipment repairs accounts refer?

Answer. The text of these accounts refers to the supervision by foremen, etc., whose pay is ordinarily included in clearing account "Shop Expenses." (See Case 248.)

CASE 265.

Query. To what account should amounts paid to switching railroads for switching loaded cars to and returning empty cars from industries be charged?

Answer. The amounts paid for both services should be charged to revenue account No. 1, "Freight Revenue," or No. 9, "Switching Revenue," as the case may require. (See Case 220.)

CASE 266.

Query. If rent of a pile driver used in the construction of a bridge be charged to account No. 33, "Rent of Equipment," in the Classification of Expenditures for Road and Equipment, how will the true cost of a bridge (on which this pile driver worked) be determined?

Answer. 1. If the pile driver is permanently mounted on a car the charge for the rent thereof should be made to road and equipment account No. 33, "Rent of Equipment." Should it be desired to divide this account into subprimary accounts so that the amount paid for hire of equipment used in constructing bridges can be ascertained, this may be done, provided that a list of such subprimary accounts be submitted to the Interstate Commerce Commission as provided for in the order promulgating the classifications.

2. If the pile driver is not mounted on a car its rent should be charged to road and equipment account No. 6, "Bridges, Trestles, and Culverts."

CASE 267.

Query. To what account should be charged the cost of loading sand, when the tariff rate for transportation includes such service?

Answer. Such cost should be charged to expense account No. 63, "Station Employees."

CASE 268.

Query. Railroad B has trackage rights over the line of Railroad A between two points, the consideration for these rights being based on a toll per loaded car. How should the payments for these trackage rights be accounted for when A maintains the tracks between the two points?

Answer. It is assumed that these payments include the following items, which should be apportioned as follows:

(a) Maintenance, which should be included in accounts Nos. 22 and 23, "Maintaining Joint Tracks, Yards, and Other Facilities."

(b) Operation, which should be included according to the location of the facilities in accounts Nos. 104 and 105, "Operating Joint Tracks and Facilities," or in accounts Nos. 77 and 78, "Operating Joint Yards and Terminals."

(c) Interest on valuation or rent which should be included in joint-facility rent accounts in Income.

In case considerable general expenses are covered in operations of the joint facilities, amounts should be apportioned to cover such general expenses, which amounts should be included in accounts Nos. 115 and 116, "General Administration Joint Tracks, Yards, and Terminals."

The apportionments between accounts should be determined by agreement between the railroads interested, the creditor showing upon its bills covering such expenses, its distributions for the guidance of the debtors.

CASE 269.

Query. To what account should be charged the amounts paid by a carrier for electric lights at street crossings not at stations or in yards, such lights being for the purpose of making the crossings safer for the passage of street traffic?

Answer. Such expenses should be charged to expense account No. 91, "Crossing flagmen and gatemen."

CASE 270.

Query. How should per diem charges paid and reclaims received by a switching railroad, whose cars seldom leave its own line, be treated in accounting?

Answer. The per diem should be charged and the reclaims should be credited to income account "Hire of Equipment."

CASE 271.

Query. To what account should be charged a railroad company's proportion of the expense of maintaining and operating the mileage exchange order bureau of a passenger association?

Answer. It should be charged to expense account No. 56, "Traffic Associations."

CASE 272.

Query. Railroad A has arrangements with a number of different roads, under which the entire expense of interlocking plants protecting railroad crossings, also crossings protected by manual signals, as well as stations at railroad crossings, are joint with such roads. In each instance one road pays the entire expense, both of labor and supplies furnished, and bills the other roads for their proportions. What is the correct accounting?

Answer. See Case 116.

CASE 273.

Query. How should amounts paid to and received from other companies for the use of joint facilities be included in the accounts when such amounts are based upon proportion of interest on valuation, in addition to expenses incurred in maintaining and operating such property?

Answer. See Case 116.

CASE 274.

(Omitted. Case now covered by the classifications.)

CASE 275.

(Omitted. Case covered by Case 116.)

CASE 276.

Query. What disposition in the accounts should be made of uncollectible freight undercharge corrections?

Answer. All uncollectible undercharges in a carrier's proportion of "Freight Revenue" growing out of corrections on waybills should be charged to account No. 1, "Freight Revenue;" other uncollectible items on account of undercharge corrections on waybills should be charged to expense account No. 98, "Other Expenses."

CASE 277.

(Omitted. Case covered by Case 116.)

CASE 278.

Query. Where stations, interlockers, water stations, etc., are owned and used jointly by several companies, how should the cost of operation be charged?

Answer. Such cost should be charged to the various expense accounts of the operating carrier and the proportion billed against other carriers should be credited to the appropriate joint-facility accounts; other carriers should debit the corresponding joint-facility accounts.

CASE 279.

Query. To what account should the revenue on a shipment lost or destroyed in transit be charged?

Answer. The revenue of the road on which the loss occurred should be charged to revenue account No. 1, "Freight Revenue." The amount paid to other companies for their proportion of accrued freight charges should be charged to expense account No. 99, "Loss and Damage—Freight."

CASE 280.

Query. Railroad B leases an extensive terminal from steamship company A, and sublets a portion of this property to transportation company C. That portion of the property occupied by C was formerly rented from A direct, but on account of the interests of B and C being

more closely allied the entire property was rented to B. How should the rents be accounted for by B?

Answer. The amount paid A should be charged to income account I 22, "Miscellaneous Rent Deductions." The amount received from C, less cost of maintaining that portion of the property occupied by C, should be credited to income account I 9, "Miscellaneous Rent Income."

CASE 281.

Query. To what account should be charged the actual cost of removing advertisements tacked or pasted upon cars, and to what account should be credited the charges under Master Car Builders' Association rules against other carriers for such services?

Answer. Both debits and credits should be included in expense account No. 89, "Train Supplies and Expenses."

CASE 282.

Query. A railroad company sends out a switch engine and crew to pick up lumber lost off a freight train belonging to another company. To what account should the wages of the crew and the use of the engine be charged, and to what accounts credited?

Answer. The wages of the crew and expenses of the engine should be charged by the company responsible for the loss of the lumber to expense account No. 99, "Loss and Damage—Freight," and the creditor should credit these items to the accounts to which they were originally charged. If a charge is made for rent of the engine, the amount thereof should be included by both companies in "Hire of Equipment" in Income.

CASE 283.

(Omitted. Case now covered by the classifications.)

CASE 284.

Query. Railroad A pays all the expenses of a train service operated from an intermediate point on its lines to an intermediate point on Railroad B's line and charges B upon basis of train mileage the cost of the service while upon B's tracks. Each road receives the revenue accruing upon its own line. What is the proper accounting for the expenses of the service?

Answer. The expenses should be included in the primary expense accounts other than joint-facility accounts, by both railroads. This is not a joint facility. If any portion of the charge for the train service is for hire of equipment the amount thereof should be included in income account, "Hire of Equipment."

CASE 285.

(Omitted.)

CASE 286.

Query. Trains of Railroad B operating under through schedules run over the tracks of Railroad A. The earnings of these trains while on these tracks are absorbed by A. B charges A the expenses of these trains, including wages of the crews, while on A's tracks. What accounts should be credited with the amounts of the bills so rendered?

Answer. The appropriate operating expense primary accounts other than joint-facility accounts should be credited. This is not a joint facility. If any portion of the charges for the trains is for hire of equipment the amount thereof should be included in income account, "Hire of Equipment." (See Case 284.)

CASE 287.

Query. To what account should be charged a railway's proportion of expenses of an association to protect the various railroads in litigation regarding patents upon mechanical devices used in the operation of locomotives or cars?

Answer. It should be charged to expense account No. 109, "Law Expenses."

CASE 288.

Query. In what account should be included payments by one carrier to another carrier for rent of stalls for housing locomotives?

Answer. When the use of the stalls is infrequent and not in connection with the regular joint use of other facilities, the rents paid should be charged to the appropriate enginehouse expense account and credited by the owning company to revenue account No. 18, "Rents of Buildings and Other Property." If the joint use of the stalls is frequent or is incident to the regular joint use of other facilities, the rent should be included by both companies in the joint-facility accounts.

CASE 289.

Query. In what account should be included rents paid by one carrier to another carrier for the exclusive use of yards and tracks—

(a) When upon the basis of a specified amount per month?

(b) When upon the basis of the number of cars handled over such tracks?

All expenses of maintaining are paid by the lessee. The taxes are paid by the lessor.

Answer. The rents should be included in the appropriate rent accounts under Income.

CASE 290.

(Omitted. Case covered by Case 121.)

CASE 291.

(Omitted. Case covered by Case 121.)

CASE 292.

Query. In what account should be included rents collected by a carrier for use of land covered by a part of a union station building?

Answer. The rents should be included in income account I 9. "Miscellaneous Rent Income."

CASE 293.

Query. To what account should be credited rent collected from a private individual for the joint use of a carrier's side track?

Answer. Such rents should regularly be divided into two parts; one, representing the cost of maintenance, should be included by the carrier in expense account No. 23, "Maintaining Joint Tracks, Yards, and Other Facilities—Cr."; the other should be included in income account I 8, "Joint Facility Rent Income." (See Case 636.) In case the collections are small they may be credited to revenue account No. 18, "Rents of Buildings and Other Property."

CASE 294.

(Omitted. Case covered by Case 121.)

CASE 295.

(Omitted. Case covered by Case 121.)

CASE 296.

Query. To what account should be credited the rent of a carrier's lands and buildings which are not used in connection with operations of the road? The value of this property is carried in the road and equipment accounts.

Answer. Such rent should be credited to income account I 9. "Miscellaneous Rent Income."

CASE 297.

Query. Owing to the heavier equipment now being used, the ballast now in the tracks is not sufficient to stand the additional weight and strain, and it is necessary to add ballast on top of broken stone in some places, cinders in others, and gravel in others, and the gravel now being used is entirely different from the gravel ballast originally used. Should this additional ballast be considered as a betterment or a renewal?

Answer. See Case 434.

CASE 298.

Query. To what account should a carrier charge payments to detective agencies for special services?

Answer. The purpose of the special services should determine the account chargeable. Ordinarily such expenses are chargeable to Operating Expenses, but in exceptional cases they may be chargeable to Additions and Betterments, and upon new lines to Road and Equipment.

Payments for detecting thieves are provided for under account No. 99, "Loss and Damage—Freight."

CASE 299.

Query. To what account should collections and refunds on account of switch keys be carried?

Answer. Such collections and refunds should be carried to the account to which the cost of the keys which are covered by the collections or refunds was charged when issued.

CASE 300.

(Omitted. Case now covered by the classifications.)

CASE 301.

Query. To what account should a carrier charge its proportion of the expenses of a railway clearing house, the purpose of which is to secure the proper distribution and use of freight-car equipment?

Answer. Such expenses should be included in account No. 64, "Weighing and Car-Service Associations."

CASE 302.

Query. A company keeps a separate or independent fund from which pensions are disbursed. A certain amount per month, making an annual total 12 times as great, is appropriated through the Income

Account and credited directly to an open account, which is closed annually when the amount is paid over. The pension fund is invested in interest-bearing securities. Whenever pensions are paid the amounts are debited to an open account and about every quarter collected from the trustee of the fund. There are no administration or other expenses in connection therewith. What is the proper accounting?

Answer. The amounts appropriated and charged to Income should be credited to account B 46, "Liability on Account of Provident Funds." The amounts of the pensions accrued should be included in expense account No. 112, "Pensions."

The amounts of the pensions paid from the pension fund should be charged to account B 46, "Liability on Account of Provident Funds," and concurrently credited to Profit and Loss.

CASE 303.

(Omitted. Case covered by Case 116.)

CASE 304.

Query. To what account should be charged settlement payments on account of injuries to persons other than employees or passengers, the injuries having been caused by a defective highway within the boundary lines of the carrier?

Answer. Such settlement payments should be charged to expense account No. 19, "Injuries to Persons."

CASE 305.

Query. To what account should be charged fixed amounts per annum paid by a carrier to municipal corporations for fire protection, the protection consisting of the installation and maintenance of water pipes and fixtures and the maintenance of water pressure in them at all times?

Answer. The account should be determined by the property protected. If for protection of buildings, the charge should be to expense account No. 16, "Buildings, Fixtures, and Grounds."

CASE 306.

Query. To what account should be charged rent of land occupied by a carrier's station?

Answer. Such rent should be charged to income account I 22, "Miscellaneous Rent Deductions."

CASE 307.

Query. To what account should be charged the rent of a tract of land which is leased and upon which has been constructed a side track for the purpose of preventing the extension of a street across a carrier's tracks at grade?

Answer. Such rent should be charged to income account I 22, "Miscellaneous Rent Deductions."

CASE 308.

Query. Railroads A and B jointly own and operate a side track. For convenience, A pays the full cost of maintenance and bills B a proportion of such cost, based on the ratio of the ownership by the two railroads. How should these costs be accounted for?

Answer. Railroad A should charge the entire cost to its primary expense accounts, crediting B's proportion to the appropriate joint-facility creditor accounts. B should charge its proportion to the corresponding joint-facility debtor accounts. (See Case 116.)

CASE 309.

(Omitted. Case now covered by the classifications.)

CASE 310.

(Omitted. Case now covered by the classifications.)

CASE 311.

Query. In what account should the cost of repairs of machinery in bridge and building department shops be included?

Answer. The cost of such repairs should be included in account No. 46, "Shop Machinery and Tools."

CASE 312.

(Omitted. Case covered by Case 116.)

CASE 313.

Query. In what account should be included the expenses of draping stations along the line of the road?

Answer. Such expenses should be included in account No. 114, "Other Expenses."

CASE 314.

Query. In what accounts should be included—

(a) Payments for stock killed by construction trains?

(b) Payments for damages caused by water overflowing by reason of embankments, etc., incident to construction work?

Answer. (a) Such payments should be included in the cost of the construction work.

(b) See Case 317.

CASE 315.

Query. Railroad B, incident to the construction at its own expense of a double-track bridge over the tracks of Railroad A, finds it necessary in locating the center pier of this bridge to shift the telegraph line and one track belonging to A. Railroad B being in course of construction, to what account should cost of shifting telegraph line and track be charged?

Answer. Such costs should be charged to road and equipment account No. 6, "Bridges, Trestles, and Culverts."

CASE 316.

Query. A carrier has a road under construction and has been obliged to lay a number of temporary tracks which are now being partly or wholly taken up. The material from such tracks is given a certain value. What is the proper accounting?

Answer. The cost of temporary tracks laid during construction of a new line should be charged to the appropriate road and equipment accounts, and the value of material removed therefrom credited, when removed, to the same accounts, thus leaving the remainder of the cost of such tracks charged to the appropriate primary accounts in that classification.

CASE 317.

Query. To what account should be charged expenditures in payment of damages on account of washouts or overflow caused by the construction of a new double track?

Answer. Charge to cost of constructing double track if the construction accounts are still applicable, or to expense account No. 101, "Damage to Property," if the track has been opened for operation.

CASE 318.

Query. What account in the Classification of Expenditures for Road and Equipment is properly chargeable with the cost of a calyx drill and the boiler and engine used in connection with its operation? This drill is to be used in making test holes prior to the construction of a steel bridge.

Answer. If this drill and machinery are permanently mounted on a car the cost should be charged to account No. 41, "Work Equipment"; if not permanently mounted on a car and bought solely for use in connection with construction of bridges, the cost should be charged to account No. 6, "Bridges, Trestles, and Culverts," and the salvage, if sold, or the depreciated value, if retained for general use, credited to this account on the completion of the work. The depreciated value of these tools, when retained for general use as a part of the first outfit of a new road, should be charged to road and equipment account No. 13, "Roadway Tools." If such tools, either when purchased new or when devoted to general use at the expiration of construction work on which they have been used, are not a part of the first outfit of tools for a new road or branch line the cost or value thereof should be charged to operating expense account No. 18, "Roadway Tools and Supplies."

CASE 319.

Query. An agent bills a car to wrong destination, causing shipment to be overcharged and the originating line has a claim to pay. To what account should it be charged?

Answer. The road making the error should charge to revenue account No. 1, "Freight Revenue," its proportion of the revenue refunded, and the foreign road's proportion to expense account No. 98, "Other Expenses."

CASE 320.

Query. The text of revenue account No. 2, "Passenger Revenue," states that "the account should be charged with amount paid for transferring passengers and baggage between depots, except in cases where the transfer of both passengers and baggage is provided for in the division of the through rate." Will you please advise correct interpretation of this clause?

Answer. The paragraph referred to provides for charging "Passenger Revenue" with amounts paid to local transfer agents or companies where the cost of the transfer is included in the rate and has been credited to "Passenger Revenue." The exception refers to instances where the cost of the transfer is provided for in the division of the through rate and credited directly to the transfer agency.

CASE 321.

(Omitted.)

CASE 322.

(Omitted.)

CASE 323.

(Omitted.)

CASE 324.

(Omitted.)

CASE 325.

Query. This company moved three special trains carrying soldiers, wagons, horses, grain, hay, and camp accouterments. Special rates were made per capita for the soldiers, per carload for the horses, and per hundredweight for the hay, grain, etc., based on carload and less than carload. What account should be credited with revenue earned?

Answer. Such revenue should be credited to revenue account No. 10, "Special Service Train Revenue."

CASE 326.

Query. Revenue under account No. 18, "Rents of Buildings and Other Property," is derived from rent of rooms in the passenger station, space in the main waiting room, and the ground on which the tenants have erected buildings. Is it permissible to charge this account with the cost of heat, light, water, janitor service, etc., incidental to the care of the rented rooms and space in the passenger stations? The rooms are not required by this company in connection with transportation, and these expenses would not be incurred if the rooms were not rented.

The ground rented to tenants is within the yard limits, but is not in any way essential to the operations of this railroad. The leases in some cases provide, in addition to rent, the tenants are to reimburse us for taxes, street improvements, and other assessments levied against the property. Is it permissible to charge account No. 18 with taxes on ground leased where there is no provision in the contract for payment of the taxes by the tenants?

Answer. If the cost of maintaining and operating the rented property is separable from like expenses of the property used by the carrier, the revenue and expenses should be included in income account I 9, "Miscellaneous Rent Income."

It is not permissible to charge taxes to revenue account No. 18. Case 16 is applicable.

CASE 327.

Query. The text of account No. 18, "Rents of Buildings and Other Property," reads in part as follows:

"This account includes a carrier's revenue from rents of buildings, land, and other property, such as depot and station grounds and build-

ings, union depot, etc., when such property is used in connection with operations and the expense of maintaining and operating it can not be separated from the expense of that portion used by the carrier."

Accounting Series Circular No. 14, relating to "Joint Facility Accounts," provides in part as follows:

"For the purpose of these accounts union depot, bridge, and similar companies will be considered common carriers."

(a) Is there not a conflict in the separate instructions above mentioned?

(b) Is it correct to assume that bills rendered by one carrier against another for rents of depots, station grounds, buildings, union depots, etc., should be treated by both the debtor and creditor carriers as joint facilities?

(c) Is it also correct to assume that the instructions above quoted relating to revenue account No. 18, "Rents of Buildings and Other Property," apply only to rents collected by a carrier from individuals and companies other than carriers for use of property as enumerated in the text under conditions mentioned therein?

Answer. (a) There is no conflict.

(b) The assumption is correct if the property is jointly used.

(c) Revenue account No. 18, "Rents of Buildings and Other Property," may include rents collected from another carrier when the property is not used as a joint facility; also rents from firms and individuals under conditions enumerated in the text of that account.

CASE 328.

Query. To what account should be credited the difference between the value of special-admission amusement coupons issued in connection with transportation and the amount paid on the basis of actual collection?

Answer. The difference should be credited to revenue account No. 19, "Miscellaneous."

CASE 329.

Query. We participate in the payment of a deficit in the operation of a union station. This station receives a small amount of independent earnings. To what account should these earnings be credited?

Answer. Such earnings should be credited to revenue account No. 21, "Joint Facilities Revenue—Cr."

CASE 330.

Query. How should the salaries and expenses of general managers and general superintendents who have direct supervision over Main-

tenance of Way and Structures, Maintenance of Equipment and Transportation Departments be distributed?

Answer. They should be apportioned equally to accounts No. 1, "Superintendence," No. 24, "Superintendence," and No. 61, "Superintendence."

CASE 331.

Query. A carrier employed a detective agency to discover the person who placed an obstruction on its tracks with the evident intention of wrecking a passenger train, as a result of which a section hand car was derailed and a man killed. To what account should this expense be charged?

Answer. It should be charged to account No. 61, "Superintendence."

CASE 332.

Query. It has been a carrier's custom for several years past to charge a certain amount each month to Rails and Ties, crediting the amount so charged to special Rail and Tie accounts, and when purchases were made same were charged to these special accounts.

In case the carrier is unable to purchase ties and rails as fast as desired, thereby leaving on its books the special accounts referred to unexpended, will it be permitted to carry these special accounts over into another year to be available for ties and rails when they can be bought?

Answer. Attention is directed to Note B under operating expense accounts No. 3, "Ties," and No. 4, "Rails," and to the answer in Case 32.

CASE 333.

Query. If a carrier should buy a quantity of ties during the current month to be used for replacement during the next five or six months, should the amount expended for same be included in the current report of expenses or should it be distributed in proportion to the material used during the various months; and in the event this invoice was not paid until the following month, in what month should it be included for report of expenses?

Answer. Expenses should be charged in the month in which they occur. In the case of material the expense occurs when the material is applied and not when it is purchased. Exception to this general rule is made in the case of rails and ties, which may be apportioned over the several months of the fiscal year, the total charge in every case being equal to the total expense of the material actually applied.

Material purchased not for immediate use should be carried in appropriate material accounts until used.

CASE 334.

Query. Referring to Note B under captions "Rails" and "Ties," it is a railroad company's understanding of these notes that the apportionment of rail and tie renewals by months is left to the discretion of carriers. There are practically no rail and tie renewals during the first two months on the company's lines, and it has been the custom to prorate the estimated renewals over the remaining 10 months. Is this permissible?

Answer. There are no objections to the plan proposed.

CASE 335.

Query. In the case of a renewal of a bridge, July 1, 1907, should the cost of renewing to the extent of the original cost of the bridge be charged to a ledger account "Depreciation prior to July 1, 1907," or is it a proper charge to current operating expenses?

Answer. Charges should be made in conformity with paragraph 4 of General Instructions and with text of account A 7, "Bridges, Trestles, and Culverts" in the Classification of Expenditures for Additions and Betterments.

CASE 336.

Query. To what account should be charged the expense of the removal of brasses from cars which are stored in hazardous locations to prevent the loss of the brasses by theft?

Answer. Such expense should be charged to the appropriate car repair account.

CASE 337.

Query. To what account should be charged the amount of a judgment, including court costs, in an action of the United States against a carrier on account of defective appliances on cars?

Answer. It should be charged to expense account No. 50, "Other Expenses."

CASE 338.

Query. To what account should the expenses of soliciting agents for fast freight lines be included?

Answer. Such expenses should be included in expense account No. 57, "Fast Freight Lines."

CASE 339.

(Omitted.)

CASE 340.

Query. To what account should be charged the cost of car seals used in securing freight cars?

Answer. It should be charged to expense account No. 66, "Station Supplies and Expenses."

CASE 341.

Query. To what accounts should be charged the cost of printing baggage storage tags, and the labor of stamping date of arrival and date of storage commencement?

Answer. The cost of printing should be included in expense account No. 97, "Stationery and Printing." The labor in baggage storage rooms should be charged to account No. 63, "Station Employees."

CASE 342.

Query. A carrier recently had stolen from the safe at one of its stations on the Canadian border an amount of money which had been advanced to the agent for the payment of customs duty on imports, the agent acting as a customs broker in that respect. To what account should the loss of this money be charged?

Answer. It should be charged to expense account No. 98, "Other Expenses."

CASE 343.

Query. What account should be charged with United States Government fines imposed by the collector of customs for the delivery of freight in bond directly to the consignee instead of to the collector of the port, through the failure of the delivery clerk at a freight yard to notify the customhouse inspector at the point of delivery?

Answer. They should be charged to expense account No. 98, "Other Expenses."

CASE 344.

Query. Owing to errors made by billing agents on a line, claims were made for demurrage accruing at destination on foreign lines before delivery was effected. To what account shall the claim be charged when paid?

Answer. It should be included in expense account No. 98, "Other Expenses."

CASE 345.

Query. Should the rent of offices occupied by the legal department be charged to account No. 109, "Law Expenses"?

Answer. It should. (See Case 35.)

CASE 346.

Query. To what account should be charged premiums paid to procure currency needed to pay labor rolls?

Answer. They should be charged to expense account No. 114, "Other Expenses."

CASE 347.

Query. A pay check fell into the hands of an unauthorized party, who secured payment by use of a forged signature. A duplicate check was issued. To what account should the loss be charged?

Answer. It should be charged to expense account No. 114, "Other Expenses."

CASE 348.

Query. Depreciation charges on locomotives and passenger cars of a company have hitherto been made at a monthly division of one-twelfth of 10 per cent per annum of the original cost. In the opinion of the present management of the company this is altogether too high, local conditions and mileage considered. It is asked whether, pending investigation as to the rate of wear and tear on equipment of roads of similar conditions, it is proper that no charge be made for depreciation until proper statistics for an intelligent computation can be obtained, the excess, if any, to be charged later this fiscal year.

Answer. No definite percentage has been fixed for this purpose, that matter being left to the discretion of the carrier until such time as the Commission is prepared to prescribe a specific rate. In the meantime depreciation charges should be made in accordance with the provisions of the effective classifications.

CASE 349.

(Omitted.)

CASE 350.

(Omitted.)

CASE 351.

Query. A carrier has recently sold two locomotives. These locomotives are in its equipment account at an amount less than that received for them, and it is on the basis of the equipment account record that its monthly depreciation entries are made. Should additions and

betterments account A 33, "Equipment," be credited with the full amount realized from this sale, or should only the equipment account record value be so credited? If so, to what account should the profit be credited?

Answer. To account A 33, "Equipment," should be credited the record value of the equipment. If that amount represents the adjusted value in the equipment account as of July 1, 1907, or is the actual cost if purchased after that date. The profit should be credited to Profit and Loss.

CASE 352.

Query. Two box cars which were carried in the carrier's account at the salvage value only are condemned, the bodies taken for use as bunk houses for laborers, and the trucks were put into service for wrecking purposes. What is the correct accounting?

Answer. Assuming that the equipment had been regularly written down to the amount of the salvage value, this amount should be credited to additions and betterments account A 33, "Equipment;" the proportion of this value represented in the salvage contained in the bodies of the cars, together with the cost of fitting bodies up as bunk houses, should be charged to operating expense account No. 16, "Buildings, Fixtures, and Grounds," provided the houses are used for replacement purposes. If, however, the houses may properly be considered as an addition and betterment, the charge should be to additions and betterments account A 35, "Other Additions and Betterments." If the houses are used by laborers engaged in construction work, their cost should be included in the accounts in which also are included the labor of the men who use them, and when such work is completed the accounts thus charged should be credited with the depreciated value of the bunk houses.

The proportion of the value of the salvage represented in the trucks should, in the first instance, be charged to the appropriate material account, and when the trucks are placed in use in wrecking service, if replacing other trucks thus previously used, such salvage value plus the additional cost of fitting the trucks up for such service should be charged to operating expense account No. 43, "Work Equipment—Repairs."

CASE 353.

Query. Under each of the Equipment—Repairs accounts may be found the following text:

"The value of old material released during repairs, insurance recovered, and repayments from other roads should be credited to this account."

It might be inferred from the words "insurance recovered" that all equipment insurance should be so treated. Is it not a fact, however, that in case of the total destruction of equipment any amount recovered from insurance should be credited to "Equipment," while the insurance for partial damages should be credited to repairs?

Answer. The text of "Repairs" accounts refers to insurance recovered on equipment repaired and returned to service. Insurance recovered on equipment totally destroyed should be credited to additions and betterments account A 33, "Equipment."

CASE 354.

Query. The payment of installments of principal on car trusts being essentially a purchase of equipment, is it permissible for a railroad during a period of superabundance of cars to apply its replacement fund to the payment of such installments, reducing the inventory cost of equipment it actually has on hand instead of acquiring physically new equipment? If this is not permissible, is it allowable for a railroad to postpone its charges to the replacement fund until more prosperous times, in the meantime using the cash for other purposes?

Answer. With the adoption of the Classification of Expenditures for Additions and Betterments, effective July 1, 1910, and the Form of General Balance Sheet Statement, effective June 15, 1910, the replacement accounts were discontinued.

Equipment acquired under the car-trust plan by a road in operation should be charged to additions and betterments account A 33, "Equipment." If desired, the carrier's interest in such equipment may be carried in subaccounts under Additions and Betterments and under Road and Equipment.

CASE 355.

Query. Define what should constitute a charge to the account No. 51, "Maintaining Joint Equipment at Terminals—Dr."

Answer. The account No. 51, "Maintaining Joint Equipment at Terminals—Dr.," is an account to which a company using a joint terminal should charge that portion of the cost of maintaining the equipment used jointly in the operation of such terminal, as may be apportioned to it by the operating company.

CASE 356.

Query. To what account should be charged the expense of repairing passenger-train and freight-train cars damaged by switching engines in yards jointly operated by one or more companies when such cars are not used in operation of the terminals?

Answer. Such expenses should be charged by the carrier first paying the cost of such repairs to its primary accounts regardless of where the damage occurred. Proportions apportioned to tenant lines should be handled through the joint-facility accounts.

CASE 357.

(Omitted. Case covered by Case 74.)

CASE 358.

(Omitted. Case covered by Case 74.)

CASE 359.

Query. A railroad employs street watchmen to guard street crossings within its yard limits for the safety of the public, and includes the cost of the service in account No. 91, "Crossing Flagmen and Gate-men," and prorates the expense among three lines operating over the yards on which these flagmen are employed. How should amounts received be credited?

Answer. They should be credited to expense account No. 78, "Operating Joint Yards and Terminals—Cr."

CASE 360.

Query. Railroad A has a drawbridge over a bayou for the operation of which it employs bridgemen, the expense being prorated among four railroads. How should amounts received by A be credited?

Answer. If the bridge is in a yard, credit expense account No. 78, "Operating Joint Yards and Terminals—Cr.;" if on road, credit expense account No. 105, "Operating Joint Tracks and Facilities—Cr."

CASE 361.

(Omitted. Case now covered by the classifications.)

CASE 362.

(Omitted. Case covered by Cases 120 and 121.)

CASE 363.

Query. To what account should be credited a bill against another line for its proportion of a joint through-train service?

Answer. It should be credited to the appropriate primary accounts other than joint-facility accounts. (See Case 286.)

CASE 364.

Query. A carrier has an arrangement with other lines whereby they are allowed trackage rights within a certain district, and the owner receives as compensation a fixed charge per car. This charge is apportioned to joint maintenance, operating, and income accounts, the division being based upon estimates and available statistics for previous years.

What account should be credited for an amount billed against one of these tenants for an accident damaging the carrier's tracks and some of the equipment of other carriers resting upon those tracks, and also an amount paid to one of the carrier's employees in settlement of a personal injury claim occasioned by such accident, the understanding being that the railroad causing an accident shall pay the expenses incident thereto, in addition to the amount it pays us for trackage?

Answer. The carrier incurring the expenses, which under the contract belong solely to another carrier, should, so far as practicable, charge the amounts of such expenses directly to bills collectible, and give credit to pay roll, voucher, or material accounts, as the case may be.

The carrier responsible should charge the expenses to its primary operating expense accounts.

CASE 365.

Query. In what accounts should be included amounts received for exclusive use of a section of a road and for interest on bank deposits? The leased section of the road is maintained by the lessee.

Answer. Such amounts should be included in appropriate accounts under Income. (See Case 289.)

CASE 366.

Query. To what accounts should interest and cash discounts be credited?

Answer. Interest should be handled through Income. All discount on bills for material purchased should be allowed to act as a credit to the account which was charged with the original invoice.

CASE 367.

Query. A railroad company wants to purchase freight cars and finds it can do so for cash, but is unable to provide the cash, and finds another party who will furnish the cars at a higher price and accept the railroad company's car-trust bonds in payment. Should the new cars be charged to equipment account at the higher rate or should the dif-

ference in prices be charged to Interest and Commissions under Additions and Betterments?

Answer. The extra amount paid for these cars by reason of inability to pay cash should be charged to balance sheet account B 20, "Unextinguished Discount on Securities," and should be extinguished in the manner provided in the text of that account.

CASE 368.

Query. Amounts paid by Railroad A for hire of equipment used in joint yard operations are prorated among three tenant lines upon basis of number of cars handled for each. How should the payments and receipts be included in A's accounts?

Answer. They should be included in income account "Hire of Equipment."

CASE 369.

Query. To what account should be charged the cost of wharfinger license; i. e., license from the city for doing business over the wharf?

Answer. This charge appears to be analogous to rent and should be charged to income account I 22, "Miscellaneous Rent Deductions."

CASE 370.

Query. To what account should be charged the amount paid for lease of ground to be used as a roadway to sidetrack on the main line at a point where there is no station?

Answer. Such amount should be included in income account I 22, "Miscellaneous Rent Deductions."

CASE 371.

Query. Railroad A distributes the proportion, based upon one-third of salaries and supplies, of the expenses charged to Railroad B for joint use of A's terminal, as follows:

Maintaining Joint Tracks, Yards, and Other Facilities—Cr.....	Per cent.
Operating Joint Yards and Terminals—Cr.....	10
Joint Facility Rent Income.....	25
	65

Is it proper to apportion any part of such charges to rent?

Answer. If A owns the property operated jointly the amount in excess of the proportionate expense of operation should properly be included by both railroads in the joint-facility rent accounts in Income.

CASE 372.

Query. Railroad B uses Railroad A's tracks between two points, paying therefor a rent based upon valuation and also a proportion of maintenance and operating expenses based upon wheelage.

(a) A pays B a per cent of the value of A's tickets honored on B's trains.

(b) B pays A a per cent of cash fares on B's trains between the two points.

(c) B pays A full local rate on tickets sold by B honored on A's trains.

How should each road take the above items into its accounts?

Answer. The accounting should be as follows:

(a) B should credit full value of tickets to revenue account No. 2, "Passenger Revenue." The amount of this revenue less the amount paid by A to B should be charged by B to income account I 21, "Joint Facility Rent Deductions," and should be credited by A to income account I 8, "Joint Facility Rent Income."

(b) B should charge amount paid and A should credit amount received to joint-facility rent account in Income.

(c) A should credit and B should charge the full value of the tickets to revenue account No. 2, "Passenger Revenue."

CASE 373.

Query. Should a proportion of the expenses of the store and purchasing department pertaining to materials passed through the storehouse and used for additions and betterments work be charged to Additions and Betterments?

Answer. It should. (See Case 184.)

CASE 374.

Query. A carrier relaid 1 mile of its main line, replacing 35-pound rail with 60-pound rail, and has charged to property account the difference between the cost of the new 60-pound rails and proceeds from sale of the 35-pound rails taken up by charging under construction account "Rails," and crediting this account with the amount realized from the sale of rails taken up. Is this correct?

Answer. It is not correct. The increased weight is a betterment, and should be handled as outlined in additions and betterments account A 8, "Increased Weight of Rail." The amount to be charged to Additions and Betterments is the excess of the cost of the new rails over the cost of rails of the same weight as the old.

CASE 375.

Query. What accounts should be charged and credited with the cost of increased weight of rails laid on that part of a road used jointly under trackage rights by another road, the lessee paying a proportion of the cost of the improvement in addition to a proportion of the cost of maintenance and operation on a wheelage basis?

Answer. The cost of the increased weight of rail should be charged in accordance with the Classification of Expenditures for Additions and Betterments. If the tenant line pays a part of the cost of the improvement without acquiring any property interest therein, the amount so paid should be handled through Income as rent for joint facilities. (See Case 531.)

CASE 376.

Query. In what additions and betterments accounts should be included the cost of an overhead passage, not at a station, across a carrier's tracks, which is constructed for the benefit of an outside party, under an agreement for the acquisition of lands by the carrier?

Answer. It should be included in account A 17, "Elimination of Grade Crossings."

CASE 377.

Query. Referring to additions and betterments accounts A 13, "Sidings and Spur Tracks," and A 14, "Terminal Yards," do "terminal yards" include terminals for passenger trains as well as terminals for freight trains?

Do they include all junction points of branch lines as well as yards at junction points with other railroads, whether such junction points are the end of the division or are points between train terminals?

Should all unloading tracks, freight-house tracks, and other tracks for local business at terminals be included under "terminal yards" or under "sidings and spur tracks"?

Answer. Terminal yards, strictly speaking, are yards maintained for switching purposes at division terminals. Small yards at the junction of main and branch lines, or at the junction of other railways, may thus be terminal yards so far as the branch or junction line is concerned, provided the yard is at the terminus of the branch or junction line. Terminal yards are in a measure distinguished as a class by being not directly or wholly required by the local conditions of the traffic and by being used for the switching of through trains and of cars which do not originate at the point switched.

Sidings and spur track should include all freight-house tracks, team tracks, passing tracks, or tracks upon which freight is loaded or unloaded, such as tracks to elevators, industries, mines, or other places which are used for the direct receipt or delivery of freight.

CASE 378.

(Omitted.)

CASE 379.

Query. Is it permissible to charge Profit and Loss account during any year with a large item covering attorney's fees contracted two or three years previously?

Answer. An expense of this kind should be charged, if practicable, to the same account as it would have been charged if it had been paid promptly. Generally speaking, Operating Expenses and other accounts should be charged with current expenditures. It is recognized that some expenditures will lap over, but those included in one year are usually offset by those left over for the next. In case a bill is greatly delayed in payment and the amount is relatively large, so that its inclusion in the operating accounts would unduly burden such accounts, it should be charged to profit and loss account PL 14, "Delayed Income Debits."

CASE 380.

Query. To what account should be credited the amount received by a carrier for the surrender of an unexpired lease for offices occupied by it?

Answer. It should be credited to profit and loss account PL 4, "Miscellaneous Credits."

CASE 381.

Query. How should engine mileage be classed for service performed by a locomotive furnished by a carrier with crews and supplies, to individuals on a per diem basis, all the mileage being made on the carrier's line while in such service?

Answer. If the "individuals" are not common carriers reporting to the Commission, the mileage should be disregarded.

CASE 382.

Query. Owing to certain of a carrier's freight yards becoming congested it found it necessary to deliver cars at another point temporarily. Movements are made by special trains and distance involved is 1 to 3

miles. Should the movements be included with freight-train miles or considered switching or yard movements of which no wheelage report would be made other than for the locomotive?

Answer. Mileage should be considered merely as of switching or yard movements.

CASE 383.

Query. A lumber company's log train uses a carrier's line between its lumber camp and mill. The equipment is owned by the lumber company and is operated by its employees, although, while on the carrier's line, the trains are under orders of the carrier's dispatcher. The carrier receives revenue for this service on a mileage basis. Should this mileage be taken into its statistics; and if so, under what class of mileage should it be shown?

Answer. No mileage should be taken into the carrier's statistics, even though the trains are under the orders of its dispatcher.

CASE 384.

Query. May the distribution of the cost of fuel, stores, and other supplies for yard locomotives and for work-train service, made upon the basis of the mileage of yard and work locomotives, be deferred until the month following that in which the expense is incurred?

Answer. It should not be deferred. The distribution of each month's operating expenses should be based upon the operation for that month.

CASE 385.

Query. In what accounts should be included the cost of the initial installation of guard rails on main-line curves?

Answer. Upon a road in operation it should be charged to additions and betterments account A 10, "Track Fastenings and Appurtenances," and upon a road during the construction period to road and equipment accounts No. 10, "Track Fastenings and Other Material," and No. 12, "Track Laying and Surfacing."

CASE 386.

Query. To what account should be charged payments on account of damage in wreck or by accident to the clothing, jewelry, etc., worn by passengers?

Answer. Such payments should be charged to expense account No. 100, "Loss and Damage—Baggage," when separable. If not separable from personal injury payments, to account No. 103, "Injuries to Persons."

CASE 387.

Query. To what account should be charged commissions paid to ticket agents in lieu of salary?

Answer. They should be charged to the account to which the salary would be charged. (See Case 64.)

CASE 388.

(Omitted. Case covered by Case 500.)

CASE 389.

Query. To what account should be charged the expense of operating a launch used for inspection of bridges and to transport officials to and from various properties of a railroad company along the water front?

Answer. If the launch is used in connection with rail operations, the expenses are similar to the expenses of special cars for officials and should be charged in a similar manner.

CASE 390.

Query. In what account should be included demurrage charged on baggage cars held by theatrical parties at stations?

Answer. Such demurrage should be credited to revenue account No. 16, "Car Service."

CASE 391.

Query. Should cost of front-end paint applied to locomotives be charged to "Enginehouse Expenses"—yard or road, as the case may be—or to "Steam Locomotives—Repairs"?

Answer. It should be charged to "Enginehouse Expenses."

CASE 392.

Query. Owing to the opening under a bridge not being sufficiently large, lands upstream have been inundated and claims for damages have been made. To what account should the damage payments be charged?

Answer. They should be charged to expense account No. 101, "Damage to Property." (See Cases 38, 314, and 317.)

CASE 393.

Query. The contract with Railroad A, under which Railroad B uses its terminals, provides that A shall furnish sundry materials and supplies required for repairs of B's equipment in A's shops. A large portion of the material issued for this purpose is furnished from A's

storehouse. What accounts should be credited and charged by the respective companies?

What accounts should be credited and what accounts charged by the respective companies with the labor cost of repairs of B's equipment in A's shop?

There are certain general expenses in connection with the operation of these shops which can not be apportioned directly to the work done, and it is provided in the contract that such expenses shall be divided between the two companies on basis of the relative value of the work performed for the respective companies. Should the amount of such expenses be credited by A to "Maintaining Joint Equipment at Terminals" and charged to corresponding account by B? There is no direct charge to this account for repairs of equipment used in joint yard operations, as such repairs are taken care of in the rental charge.

Answer. The cost of repairing road equipment should be assessed directly against the road benefited, as it is not a joint-facility expense.

The text of clearing account "Shop Expenses," in the Classification of Operating Expenses, gives full directions for charging out undistributed expenses.

CASE 394.

Query. In various contracts between carriers for use of joint facilities, it is provided that certain percentages shall be added to material charges, and in some cases to labor charges. The amounts added to material charges are sometimes specified as storehouse expense, and in other cases it is probably to cover profit. The additions to labor charges are sometimes specified as covering superintendence and sometimes profit. These additions appear in various places throughout the bills rendered by the lessor company. To what account should the lessor company credit the amounts received from these sources, and to what account should they be debited by the lessee company.

Answer. The lessor should credit and the lessee should charge them to the appropriate joint-facility operating expense accounts. (See Case 246.)

CASE 395.

(Omitted. Case covered by Case 441.)

CASE 396.

Query. To what account should be charged payments for damages on account of injury to a horse through catching its heel calk in a crossing plank?

Answer. The payments for such damages should be charged to expense account No. 102, "Damage to Stock on Right of Way."

CASE 397.

Query. To what account should be charged rent of offices occupied by—

- (a) Advertising department?
- (b) Superintendent of telegraph?

Answer. Such rents should be charged as follows:

- (a) Account No. 55, "Advertising."
- (b) When the superintendent is engaged in maintenance and operation of telegraph lines the rent of his office should be divided equally between account No. 14, "Telegraph and Telephone Lines," and account No. 94, "Telegraph and Telephone—Operation."

CASE 398.

Query. In what account should be included a balance of which an agent is relieved on account of all evidence of offsetting claims having been destroyed by a fire which destroyed the general office and the agent's office?

Answer. It should be included in profit and loss account PL 15, "Miscellaneous Debits," in case it is not possible to apportion the balance to the proper accounts.

CASE 399.

Query. Railroad B's engine was damaged on account of defective condition of Railroad A's tracks. In what accounts should be included the cost of repairs of this engine, which is paid by A to B?

Answer. The cost should be charged by A to account No. 101, "Damage to Property," and should be credited by B to account No. 25, "Steam Locomotives—Repairs."

CASE 400.

Query. To what account should be charged a loss arising from the holding up of an electric-line conductor and the robbery of the collections by highwaymen?

Answer. The loss should be included in expense account No. 98, "Other Expenses" if classifications for steam lines are applicable. (See Case 342.)

CASE 401.

Query. To what account should be charged the payment of an arbitration committee's award to a suspended switchman of his regular wages during suspension?

Answer. Such payments should be charged to expense account No. 98, "Other Expenses."

CASE 402.

Query. To what account should be charged the pay of hostlers and hostler helpers while engaged in pulling down pockets of coal chutes, raking coal from them into engine tenders, trimming the coal on tenders, and moving small dump cars at certain chutes?

Answer. The pay of these employees while thus engaged should be charged to expense account No. 73, "Fuel for Yard Locomotives," or to No. 82, "Fuel for Road Locomotives," as the case may be.

CASE 403.

Query. To what account should be charged the expense of placing rail rests along the line? These are notched posts for the support of one or two lengths of rail to be used in emergency. The number of rests to be erected is not sufficient to warrant classing them as additions or betterments.

Answer. When chargeable to Operating Expenses the cost of such rests should be charged to account No. 6, "Roadway and Track."

CASE 404.

Query. How should the rent of an office building occupied by general officers, including superintendent of maintenance and structures, superintendent of motive power, vice president in charge of traffic, and superintendent of transportation, be charged?

Answer. The text of account No. 108, "General Office Supplies and Expenses," is intended to provide for charging to that account rent and repairs of general offices used by the general officers enumerated in account No. 106, "Salaries and Expenses of General Officers."

When the general offices of a carrier are occupied by officers other than general officers enumerated in the accounts under General Expenses, the expense should be apportioned to the expenses of the departments benefited. (See Case 534.)

CASE 405.

Query. Railroad B pays annually to Railroad A a nominal rent for the exclusive use of a few feet of track which connects B's track with a division of Railroad A. In what account should the payment be included?

Answer. If the payment is intended to cover only the rent of the track, it should be charged to income account I 22, "Miscellaneous Rent Deductions." (See Case 289.)

CASE 406.

Query.—To what account should be charged amounts paid as rents for driveways at stations?

Answer. They should be charged to income account I 22, "Miscellaneous Rent Deductions."

CASE 407.

Query. How should be treated rent paid by a carrier for land used for station grounds, yards, etc., and rents received by the carrier from merchants for use of a part of such land?

Answer. The rent paid should be charged to income account, I 22, "Miscellaneous Rent Deductions," and the rent received should be credited to income account I 9, "Miscellaneous Rent Income."

CASE 408.

Query. On account of Railroad A owning no equipment, Railroad B supplies the necessary equipment and maintains and operates A's road. B charges A the cost of maintenance and operation, with exception of the maintenance of equipment and the cost of engine and train service. B receives all revenues and pays A agreed proportions of the revenues upon through traffic only. What is the correct accounting?

Answer. All revenue and expenses incident to the operation of A's road should be included in B's accounts. All mileage statistics, including passenger, ton, train, car, locomotive miles, etc., should be included in B's records and reports. The difference between the proportion of the revenue due to A and the proportion of operating expenses payable by A to B constitutes A's compensation for the use of its road and should be charged by B to income account I 19, "Deductions for Lease of Other Roads."

In case the result is a loss to A, the amount of the deficit should be credited by B to account I 19, "Rent Deductions for Lease of Other Roads," and charged by A to account I 6, "Rent from Lease of Roads." B should include the cost of maintenance and operation in its primary operating expense accounts.

CASE 409.

Query. Railroad A operates one of its yards for the joint benefit of its own service and that of Railroad B and in a roundhouse located at this yard prepares B's road locomotives for service. A apportions the expenses of operating this roundhouse, upon basis of the number of engines handles, to the cost of its own road service, B's road service,

and the service of the joint yard; the joint-yard proportion being divided between the two railroads upon the basis used for division of other joint-yard expenses. How should these roundhouse expenses be treated in the accounts of the two companies?

Answer. A should charge the entire cost to its primary accounts for enginehouse expenses. The amounts charged to B should be credited by A and charged by B to the appropriate joint-facility accounts.

CASE 410.

Query. Railroad A cleans Railroad B's cars and supplies them with water, ice, coal, oil and waste for lubrication, and oil and gas for lighting, upon the basis of the actual cost of the labor and supplies. What is the proper accounting by both companies for these expenses?

Answer. A should distribute these expenses from its labor and material accounts directly against B. B should charge the amount of the expenses to the appropriate operating expense primary accounts, other than joint-facility accounts.

In case the cars are cleaned in a joint car-cleaning yard, the amounts charged to B for the cost of the cleaning should be included by both roads in the joint-facility expense accounts. (*See Case 535.*)

CASE 411.

Query. Railroad A operates one of its yards for the joint benefit of its own service and that of Railroad B. Each road furnishes its own coal, delivered in cars at this yard. The coal used by the locomotives at this point is handled through the coal bins owned by Railroad A, separate bins being provided for the coal used upon B's locomotives. The cost of operating this fuel station is apportioned by A between its own road service, B's road service, and the service of the joint yard, upon the basis of quantity of coal supplied. The proportion charged to the joint yard is divided between the two railroads upon the basis used for division of other joint-yard expenses. How should these fuel-station expenses be treated in the accounts of the two companies?

Answer. A should charge the entire cost of the operation of the fuel station to its primary accounts. The amounts charged to B should be credited by A and charged by B to the appropriate joint-facility accounts.

CASE 412.

Query. The contract between Railroad B and Railroad A under which B uses the terminals of A at Y provides for the furnishing, from A's storehouse of certain materials and supplies (including material

and supplies for locomotive and train use) for use in the operation of B's line south of Y. A's storehouse is not included in the schedule as a joint structure. How should the charges covering the materials and supplies be treated in the accounts?

Answer. They should be included by both railroads in the appropriate primary operating expense accounts, other than joint-facility accounts.

CASE 413.

Query. To what account should be charged the cost of repairs of commercial cars and locomotives temporarily assigned to maintenance-of-way service?

Answer. The cost of the repairs of the cars should be charged to expense account No. 34, "Freight-Train Cars—Repairs," and of the locomotives to expense account No. 25, "Steam Locomotives—Repairs." The cost of the application and the removal of any special appliances required to fit the cars or locomotives for the maintenance-of-way service should be charged to account No. 43, "Work Equipment—Repairs." (See Case 482.)

CASE 414.

Query. A carrier operates two freight houses at a terminal and furnishes all the facilities and labor for handling merchandise shipments for tenant lines. It charges them for this service a rate per ton. To what account should the amounts collected be credited?

Answer. The portion of the charges representing maintenance and operation should be credited to the appropriate joint-facility accounts in Operating Expenses; that portion representing payments for the use of capital and for taxes should be credited to income account I 8, "Joint Facility Rent Income." (See Case 268.)

CASE 415.

Query. The freight cars for equipping a railroad were purchased principally in X and were loaded out to Y with freight. Some of the cars were diverted and held off the line for several months.

What construction account should be credited with the receipts from the hire of these cars?

Answer. The question indicates that the equipment is intended for use on a road under construction and not opened for regular traffic. If so, it is proper to credit the receipts to road and equipment account No. 35, "Earnings and Operating Expenses during Construction." If the road has been regularly opened for traffic, the amounts should be credited to "Hire of Equipment" in Income.

CASE 416.

Query. How should payments to wharf companies for use of switch engines and switching crews, upon basis of hourly rates, be charged? The wharf companies furnish the switching facilities, but are not common carriers reporting to the Commission.

Answer. If the switching service is provided for in the through rate, the payment should be charged to revenue account No. 1, "Freight Revenue." If the carrier's revenue for the switching service is included in revenue account No. 9, "Switching Revenue," the payments should be charged to that account.

CASE 417.

Query. A carrier participates in the operation of a through dining-car line, the equipment of which is owned by another carrier. Should its proportion of loss be handled as follows: Operating expenses charged to "Outside Operations," and rents to "Hire of Equipment?"

Answer. The proportion of the revenues and expenses of a joint dining-car line, assigned to the participating company, should be credited and charged to the primary accounts under Outside Operations—"Dining and Special Car Service." The text of account No. 9, "Other Expenses," under Conducting Dining and Special Cars provides for hire of equipment.

CASE 418.

Query. There are five cars of company material moving in a revenue train. Should the mileage on these five cars be included in the total revenue car mileage, or classified under nonrevenue car mileage? The train-miles are, however, credited under freight-train mileage.

Answer. The mileage of all cars in revenue trains should be classified as revenue car-miles.

CASE 419.

Query. The following questions are submitted for rulings:

In the event that a company carries its own insurance for the protection of both employees and property, should the amount of any claims for damages—both to persons and to property covered by the insurance—be charged to "Insurance Fund?" In that case, would not this distribution conflict with the instructions given under the account "Injuries to Persons?"

In the event of the establishment of a hospital and medical fund (the purpose of which is to care for sick employees during the period of

their disability), should all expenses incident thereto, including the expenses of physicians and surgeons and the cost of medical and surgical supplies, be charged to this fund, or would this conflict with the distribution shown under account "Injuries to Persons?"

Answer. Roads are permitted to carry their own insurance, and neither in the case of destruction of property nor injuries to employees is the text construed as conflicting with this permission.

Account No. 111, "Relief Department Expenses" is designed to cover contributions to and expenses incurred in the management of funds created for the purposes mentioned. The "Injuries to Persons" accounts do not include payments for sick benefits. If, by reason of its contribution to the relief department fund, a carrier is relieved from further expense in case an employee is injured, no distribution of the expense under the "Injuries to Persons" accounts is required.

CASE 420.

Query. Since July 1, 1907, a number of a carrier's locomotives have been rebuilt, the expense fluctuating between \$1,000 and \$5,000 per locomotive. In the list of locomotives rebuilt a number were purchased as far back as 1874. Should the charges for such repairs be made to the equipment replacement account, taking into consideration that we have accrued depreciation on locomotives since July 1, 1907?

Answer. The accounting for the rebuilding of locomotives should be in accordance with paragraph 3 of additions and betterments account A 33, "Equipment."

The charges for depreciation on locomotives should be determined from consideration of the probable normal life of locomotives as prolonged by such repairs as described. (*See Cases 354 and 555.*)

CASE 421.

Query. In 1906 a carrier acquired and charged to Equipment account a box car costing \$640. This car was destroyed in 1910 upon a foreign line. The trucks were repaired and returned. The value of these trucks was \$175. The carrier rendered bill against the foreign line for \$344, this being the value, under Master Car Builders' Association rules, of the body of the car at time it was destroyed. It had charged \$60 to Operating Expenses and credited the same amount to "Reserve for Accrued Depreciation" to cover depreciation of the car from July 1, 1907, up to the date of its retirement. The depreciation accruing previous to July 1, 1907, amounted to \$20.

What entries are necessary for a proper accounting for the retirement of this car?

Answer. The text of additions and betterments account A 33, "Equipment," quite fully describes the proper accounting for equipment retired. The following statement of this particular case, in journal entry form, may prove an additional aid in determining the correct accounting:

"Reserve for Accrued Depreciation" (an amount equal to the amount previously credited thereto with respect to this car).....	\$60
Bills Collectible (amount charged foreign line).....	344
Materials and Supplies (value of trucks).....	175
Profit and Loss (depreciation to July 1, 1907).....	20
No. 35, "Freight-Train Cars—Renewals".....	41
A 33, "Equipment" (cost of car).....	\$640

CASE 422.

(Omitted.)

CASE 423.

Query. A carrier's equipment replacement account prior to July 1, 1907, contained a credit in excess of the requirements up to that time which had not been closed out at the end of the last fiscal year. The balance remaining is perhaps \$50,000, which will not be used because the full requirements of equipment had been provided for and, by reason of the reduction in the purchase price of new equipment, there will remain a credit to that account.

In going through its accounts since July 1, 1907, the carrier finds that it has large charges for car repairs that accrued prior to July 1, and it seems that such repairs do not properly form a part of the cost of operation of the current fiscal year. The carrier desires authority to take bills for car repairs that accrued prior to July 1 of that year and charge them to the equipment replacement account, in order to have the accounting accurate for the current year. Is this permissible?

Answer. The Classification of Operating Expenses provides that car repairs shall be charged to account No. 31, "Passenger-Train Cars—Repairs," and account No. 34, "Freight-Train Cars—Repairs." Expenses of this kind should, if practicable, be included in the accounts which would have been chargeable had the expenses been paid promptly. It is recognized that such expenditures will lap over, but those included in one year are usually offset by those left over for the next.

In case a bill is greatly delayed in payment, and is so large that its inclusion in the operating accounts would unduly burden such accounts,

it may be charged to profit and loss account PL 14, "Delayed Income Debits." (See Case 379.)

CASE 424.

Query. Some three or four years ago a man sustained a slight injury at one of a carrier's stations and the carrier has just paid a judgment as a result. May this judgment be charged to Profit and Loss account direct? If chargeable to "Injuries to Persons," may a suspense account be opened and a proportion be charged each month into next year?

A similar claim, where a building on the line was set on fire and burned by a spark from an engine of the carrier, was settled this month. May not this also be charged off to Profit and Loss?

Answer. See answers to Cases 379 and 423.

CASE 425.

Query. As contracts for new ties and new rails are usually placed at the beginning of the calendar year, for some time past it has been the custom of a carrier to distribute the estimated annual expenditures for such renewals in monthly installments through the calendar year and adjust the estimates to the actual expenditures at the close of the calendar year.

Under the classification prescribed by the Interstate Commerce Commission will it be necessary to make these adjustments at the close of the fiscal year in future, or will it be satisfactory to continue to make the adjustments at the close of the calendar year?

Answer. Adjustments should be made annually on the basis of materials applied. (See Case 32.)

CASE 426.

Query. As of July 1, 1907, a company assigned certain valuations to its floating and other equipment as a basis upon which to charge the monthly proportion of depreciation. The construction of additional lines of railway has so reduced the business of its water lines that it is necessary to reduce its floating equipment. The valuations assigned to such equipment were considered equitable on a going business, but the carrier has been unable at forced sale to realize such amounts. In accordance with case No. 172 in Accounting Bulletin No. 1, it took an inventory of equipment as of July 1, 1907. The amount of this inventory was set up on its books as "estimated value," not "cost." This

value has been depreciated monthly since that date by proper charges to Operating Expenses and credits to Replacement.

It is understood that the unexpired depreciation is chargeable to Renewals, but the carrier desires to distribute such charges on account of its floating equipment over a period, instead of charging the total out in the current month, in order not to materially affect comparisons.

Is it authorized to spread this loss over a period of 12 months?

Answer. The Commission does not deem it advisable at this time to authorize any departure from the prescribed classification, which provides that the entire residual value of equipment retired, less salvage, should be charged to the proper Renewals account in the month in which such retirement takes place. It is not considered that Case 172 modifies the text of the Renewals accounts, which states that such residual value (as well as the monthly charge for depreciation) should be based on "the original cost (estimated, if not known), record value, or purchase price" of equipment.

CASE 427.

Query. To what account should be charged the cost of building stock pens and putting in track scales when a railroad is under construction?

Answer. For a road under construction the cost of building stock pens at stations should be charged to account No. 18, "Station Buildings and Fixtures," and the cost of constructing track scales to account No. 31, "Miscellaneous Structures," in the Classification of Expenditures for Road and Equipment.

CASE 428.

Query. All corporations doing business in the State of Arkansas pay an annual franchise tax as required by Act No. 443 of the Acts of Arkansas of 1907.

Under the Classification of Expenditures for Road and Equipment as prescribed by the Interstate Commerce Commission are such payments a proper charge to "Other Expenditures" or to "Taxes"?

Answer. They should be charged to "Taxes."

CASE 429.

(Omitted.)

CASE 430.

Query. During the construction period a carrier disposed of some equipment which had been purchased secondhand and used in the construction work. Please advise how it should account for the

equipment thus purchased and sold, as well as for equipment retained for use in the operation of the road.

Answer. The cost of equipment purchased, except grading outfits, as provided in road and equipment account No. 4, "Grading," when acquired by a road under construction, should be charged to "Equipment." The expenses of repairs to such equipment during the construction period should be included in appropriate road and equipment accounts, as should also amounts representing a fair depreciation of the equipment during such period.

The depreciation accrued at date operations are begun, upon equipment (other than grading outfits) retained, being credited to road and equipment account "Equipment," the net amount in the equipment account with respect to such equipment would represent the record value for accounting purposes.

The original cost of equipment (other than grading outfits) sold during the construction period should be credited to account "Equipment." The accrued depreciation upon equipment sold should be closed into the same account.

CASE 431.

Query. A company's railway is in course of construction and it is required to make payments to the Board of State Harbor Commissioners for rent of tidelands on account of a franchise granted for the construction of wharves in ——— Bay. Work on the construction of the wharves has not yet been commenced.

To what account should these payments be charged?

Answer. Amounts paid to harbor commissioners for rent of the tidelands, on account of a franchise granted for the construction of wharves in connection with a line in course of construction, should be charged to road and equipment account No. 26, "Dock and Wharf Property."

CASE 432.

Query. On some land acquired by a carrier company, outside of its immediate needs, and carried under "Additions" and "Real Estate," there is some standing timber which it is selling on a stumpage basis. Should receipts from this be credited to "Outside Real Estate," in accordance with Case 140, or deducted from the cost of the property?

Answer. Amounts received from the sale of timber should be credited to the property account until the balance therein represents a fair value of the land without the timber. If the amount received is more than sufficient so to adjust the property account, the excess should be credited to income account I 18, "Miscellaneous Income."

CASE 433.

Query. A carrier has a power house furnishing current for propulsion of electric locomotives and cars, and also for heating, lighting, and other purposes in connection with the operation of a steam railroad. It is now proposed to sell current generated in the same power house to a local street railway company. To what account should be credited the revenue derived from the sale of power?

Answer. The operations of the power plant should be considered as outside operations, and the cost of the current used by the railroad should be cleared through outside operations account "Other Operations—Cr.," and the amounts so cleared should be distributed to the appropriate operating expense accounts.

The revenue derived from the sale of power to outside parties should be credited to the revenue account of the outside operation, the net revenue of which should be carried direct to Income Account as provided for under the Classification of Revenues and Expenses for Outside Operations—Electric Light and Power Plants. (See Case 178.)

CASE 434.

Query. A railroad company has reballasted with stone a number of miles of road which had been poorly ballasted with gravel that had almost disappeared in the course of time although supplemented to some extent by cinder ballast. How should the cost be charged?

Answer. The excess cost of the stone ballast over the cost of replacing in kind the ballast formerly in the track is chargeable to additions and betterments account A 11, "Ballast." The cost of replacing in kind the ballast formerly in the track is chargeable to operating expense account No. 2, "Ballast."

CASE 435.

Query. To what account should be charged the cost of options upon lands for terminals and approaches of a bridge, the plans for construction of which were postponed?

Answer. The amount paid for options on property which it was proposed to use in the construction of terminal and bridge-approach improvements may be carried in a suspense account until the proper disposition has been finally determined. If, later, the proposed improvements are made, the amount so paid may be considered part of the cost of the property and charged to the proper account under Expenditures for Road and Equipment, or Expenditures for Additions and Betterments, as the case may be. If, on the other hand, the plan

is definitely abandoned, the expenditure may be closed out through Profit and Loss account. (*See Case 519.*)

CASE 436.

Query. Some of the operating officers of a railroad are employed a portion of the time upon a new line and terminal yards which the railroad is constructing. Should a part of the pay and expenses of these officers be charged to the new work? Should any portion of the pay and expenses of general officers be apportioned to such work?

Answer. The pay and expenses of general and operating officers who form a part of the regular organization of an operating railroad should only be charged to Road and Equipment or Additions and Betterments when such officers are for a definite period assigned to the new work.

The principle to be followed is indicated in paragraph 15 of the General Instructions in the Classification of Expenditures for Additions and Betterments.

CASE 437.

Query. It has recently developed that a railroad company did not have proper deeds to a certain portion of right of way. Although it had been using the land for a number of years, it has just been compelled to pay several hundred dollars to adjust the matter. This is a part of the old line, for which there is no construction account at this time.

To what account should the payment be charged?

Answer. Such payment should be charged to Road and Equipment. (*See Cases 588 and 590.*)

CASE 438.

Query. Has the Commission issued any instructions to accounting officers regarding the changing from the Classification of Expenditures for Road and Equipment to the Classifications for Operating Expenses and Operating Revenues?

The construction of a road was not completed when the autumn rains set in, but the road was in such condition that the carrier commenced running revenue trains over it in October and continued to operate on regular schedules up to the present time. This spring it has been necessary to refill and reditch because of caving banks and sliding fills. The roadbed, in many instances, is being reenforced by rock where dirt fills were made. The riprapping, ditching, and ballasting would have been done last autumn had the weather permitted. Because of this work, the carrier's expenses exceed its revenue and it desires permission to charge the cost to construction.

Answer. Case 115 contains a ruling regarding the point at which construction stops and operation begins.

The cost of restoring the road to its former condition—that is, the direct cost of repairing the damage due to washouts—should be charged to operating expenses; but the cost of additional riprapping, etc., should be distributed to cost of road through the additions and betterments accounts.

CASE 439.

Query. A lump-sum rate is charged theatrical parties for the use of baggage cars between stations on a line.

To what account should the amount received be credited?

Answer. It should be credited to revenue account No. 10, "Special Service Train Revenue," if the cars are handled in special trains; or to account No. 8, "Other Passenger-Train Revenue," if they are handled in regular trains, except when the lump-sum rate, properly considered, is an excess-baggage rate, in which event the credit should be to account No. 3, "Excess Baggage Revenue."

CASE 440.

Query. A charge of \$5 per car is made for switching baggage cars to connecting lines. Should the revenue be credited to revenue account No. 9, "Switching Revenue?"

Answer. It should.

CASE 441.

Query. Referring to Accounting Series Circular No. 14, Joint Facilities Accounts, to what account should freight charges over the line owning the tracks be credited when such charges are added to the cost of material?

To what account should percentage added to joint-track bills for superintendence and store expenses be credited?

Answer. Amounts included in joint-facility bills representing freight charges, superintendence, and store expenses should be credited by the operating company to Operating Expenses through the joint-facility accounts.

No charges should be made to the expense accounts of the operating carrier for such freight over its own line.

CASE 442.

Query. To what account should be credited fares collected from caretakers in charge of live stock, perishable freight, or private cars hauled as freight?

Answer. Such fares should be credited to revenue account No. 2, "Passenger Revenue."

CASE 443.

Query. In what expense account should be included the pay of men employed to prevent accidents due to rocks falling upon tracks? These men are generally known as "rock watchmen."

Answer. The pay of men thus employed should be included in expense account No. 6, "Roadway and Track."

CASE 444.

Query. In connection with Railroads B and C, Railroad A conducts a through dining-car service over the three railroads. B furnishes one dining car for this service and bills A for its rent. A furnishes two dining cars, pays all salaries and the cost of all supplies, and conducts the service.

The result of this service each month is a net loss, which is apportioned on the basis of mileage to the three roads. How should B and C account for their proportion of the loss?

Answer. See answer to case 417.

CASE 445.

Query. To what account should be charged the wages paid to trainmen, enginemen, and yardmen while attending investigations to determine the responsibility for train accidents?

Answer. Such wages should be included in expense account No. 61, "Superintendence."

CASE 446.

Query. Referring to Case 218, in which the decision is made that where cars entering terminals are switched for the benefit of a tenant company by the operating company, the switching of loaded cars should be charged to "Freight Revenue" and empty cars to "Other Expenses" under Transportation Expenses.

It appears that this is an injustice to freight earnings. It frequently occurs that merchandise cars arrive at terminal points light and are switched by the operating company, at the tenant's request, to the platform. The tenant pays for this service. In many cases the freight on the merchandise in the car will not aggregate the amount charged for the switching, and to charge "Freight Revenue" with this switching would result in making it a loss if all of the tenant's business moved into these terminals under these conditions.

The tenant inquires if this is not a proper charge to Operating Expenses, and if it should not be charged either to "Other Expenses" under Transportation Expenses or to "Operating Joint Yards and Terminals?"

Answer. Such distribution would be incorrect. The theory upon which the accounts of Operating Revenues prescribed by the Commission have been established is that the aggregate revenue of all carriers should represent total freight charges assessed against shippers on the basis of tariffs.

The switching of cars under the circumstances stated falls under the definition of "Switching Absorbed;" and it is therefore proper that the cost should be charged to account No. 1, "Freight Revenue."

CASE 447.

Query. To what account should be charged the wages of trackmen while engaged in unloading coal to be used for heating stations?

Answer. The wages of trackmen while thus engaged should be included in expense account No. 66, "Station Supplies and Expenses."

CASE 448.

Query. To what account should be charged amounts paid directors as fees for attending meetings?

Answer. Such payments should be charged to expense account No. 114, "Other Expenses."

CASE 449.

Query. Ballast cars, engaged in transporting granite dust to be used in paving around stations, buildings, etc., become leaky and the foreman in charge of the train purchases baled hay to be used in stopping the leaks.

To what should the cost of the hay be charged?

Answer. Such expenses should be considered as a part of the cost of the material transported, and charged to the appropriate accounts as determined by the purpose for which the material is used.

CASE 450.

Query. A bridge was damaged by a wreck. Although it was possible to repair the bridge where it stood, the railroad management considered it economy to remove the bridge to the shops for repairs.

Pending the repairs, a temporary pile structure was installed. To what account should the cost of the temporary bridge be charged?

Answer. It should be charged to expense account No. 9, "Bridges, Trestles, and Culverts."

CASE 451.

(Omitted.)

CASE 452.

Query. How should be classed the train-miles and car-miles of a train consisting of a combined passenger and baggage car in which passengers and small quantities of freight are transported?

Answer. The train-miles should be classed as "Passenger Train-Miles" and the car-miles as "Passenger Car-Miles."

CASE 453.

Query. To what account should be charged the loss of station funds by burglary when not covered by burglary insurance?

Answer. Such loss should be charged to expense account No. 98, "Other Expenses." (See Case 342.)

CASE 454.

Query. To what account should be charged the cost of printing coupon and local tickets and baggage checks?

Answer. It should be charged to account No. 97, "Stationery and Printing." (See Case 341.)

CASE 455.

Query. A railroad's connections charge it an additional tariff rate per ton when coal consigned to docks is taken for boat fuel, to cover the charge for machine unloading from cars to boats. To what account should these items be charged when paid to connections, and credited when collected from shipper?

Answer. The amount may be handled through a clearing account, as freight revenue is not affected by such transactions.

CASE 456.

Query. On account of owning no cars a carrier pays per diem to a connecting line for all cars used. In what account should it include—

(a) The amount paid in settlement for a freight car destroyed in a wreck?

(b) The wages of carpenters and others while employed in collecting the salvage in direct connection with the wreck?

(c) The value of the salvage from the car?

Answer. The fact that the carrier owns no cars has no bearing on the question. The items enumerated should be charged as follows:

(a) Should be charged to account No. 34, "Freight-Train Cars—Repairs."

(b) Should be charged to account No. 93, "Clearing Wrecks."

(c) Should be credited to account No. 34, "Freight-Train Cars—Repairs."

CASE 457.

Query. When and into what account should unclaimed wages be closed?

Answer. Unclaimed wages accruing previously to the current fiscal year may be credited to profit and loss account PL 4, "Miscellaneous Credits."

CASE 458.

Query. To what account should be charged the wages of a train crew running special train for the purpose of hauling water to be used by locomotives in train service? The expense was caused by the water supply being exhausted at one of the water stations.

Answer. They should be charged to expense account No. 74, "Water for Yard Locomotives," or account No. 83, "Water for Road Locomotives," according to the use to be made of the water.

CASE 459.

Query. To what account should be charged amounts paid for water at section houses?

Answer. They should be charged to expense account No. 18, "Roadway Tools and Supplies." Payments for permanent water rights should be charged to account No. 16, "Buildings, Fixtures, and Grounds."

CASE 460.

Query. To what account should be charged the amount paid for a small strip of land alongside right of way, purchased in order that dirt might be procured to replace a grade washed away by a flood?

Answer. The difference between the amount paid for the land and its value after the dirt has been removed should be charged to operating expense account No. 6, "Roadway and Track." The value of the land after the dirt has been removed should be charged to additions and betterments account A 2, "Real Estate," or to balance sheet account B 6, "Miscellaneous Investments," as may be appropriate.

CASE 461.

Query. What account should be charged for switching where there is no freight movement, as in the case where A switches an empty car for B to be loaded with stock, and the car is not loaded, but returned empty and B pays two switching charges without a freight movement?

Answer. Switching charges on empty cars, when not in connection with loaded movements, should be charged to account No. 98, "Other Expenses." (See Case 218.)

CASE 462.

Query. Railroad A is a consolidation of Railroad B and Railroad C. Are the amounts to the credit of the several replacement accounts of B available for new equipment to be acquired by A, all assets and liabilities of B having been assumed by A?

Answer. They are not available for such purposes. All newly acquired equipment should be charged by A to additions and betterments account A 33, "Equipment."

CASE 463.

Query. A railroad company's road is under construction. The railroad bought a shipment of bolts and paid freight and marine insurance to a point on the coast. The bolts remain in store account until they are withdrawn and charged to various road and equipment accounts. To what account should the marine insurance be charged?

Answer. It should be considered as part of the cost of the material and charged accordingly.

CASE 464.

(Omitted. Case covered by Case 508.)

CASE 465.

Query. A carrier placed in service on its line July 1, 1908, a gasoline motor car composed of a gasoline engine and passenger coach in one. How should this car be classified for the purpose of depreciation?

Answer. The gasoline motor coach described should, for the purpose of depreciation charges, be classified as Passenger Equipment. (See Case 73.)

CASE 466.

(Omitted.)

CASE 467.

Query. In a part of the country where railroads are not ballasted with gravel, crushed stone, etc., but the track is held in place by throwing dirt to the center of the track and forming it into a crown over the

middle of the ties, to facilitate its work, a railroad has distributed several hundred carloads of earth along its track where the earth in the roadbed is not suitable for surfacing. Is the expense of loading and distributing this earth a proper charge to road and equipment account No. 11, "Ballast," or to account No. 12, "Track Laying and Surfacing"?

Answer. Material applied as described in the query is not understood to be "ballast" and the cost of such material used by a road under construction should be charged to road and equipment account No. 12, "Track Laying and Surfacing." The cost of material thus applied by a road in operation should be charged to expense account No. 6, "Roadway and Track."

CASE 468.

Query. To what account should be charged the pay of switch tenders and signal tenders who operate switches and signals in large freight and passenger yards? These switches and signals are used primarily in making up and distributing trains, although from time to time they are used in connection with main line train movements.

Answer. Where the primary purpose of such signals and switches is the signaling and handling of trains in yard movements, the pay of employees operating them should be charged to account No. 69, "Yard Switch and Signal Tenders."

CASE 469.

Query. Is it proper to charge revenue account No. 1, "Freight Revenue," with overcharges refunded through claim channels which can not be collected from the carrier making the overcharge on account of being less than the voucher minimum of \$1. established by Freight Claim Association Rules?

Answer. It is.

CASE 470.

Query. A railroad company owns a tug which is treated as an outside operation. In towing a steamer the tug damaged it. The damage is borne by the railroad company. To what account should the damage be charged?

Answer. The damage should be charged to general account II, Running Expenses, under Outside Operations—Miscellaneous, unless the tug is operated in connection with some other outside operation for which a specific classification is provided.

CASE 471.

Query. Railroad B is responsible for the damage done by one of its locomotives to Railroad A's interlocking plant. This plant is a joint

facility of the two railroads. In what account should B include the expense of repairs?

Answer. The expense of such repairs should be included in expense account No. 101, "Damage to Property."

CASE 472.

Query. Account No. 63, "Station Employees," includes "Payments to elevator companies for transferring grain en route," while the decision in Case 219 would seem to require such charges to be proper deductions from "Freight Revenue." Kindly explain the apparent conflict.

Answer. Account No. 63, "Station Employees," includes "Payments to elevator companies for transferring grain en route," and Case 219 directs that a payment for elevation and storage provided for in the rate shall be charged to account No. 1, "Freight Revenue." In the first instance, the charge is an expense to the railroad company for transferring due to crippled cars, heated grain, or other unforeseen causes. In the second instance, it is a division of the rate for a service performed for the shipper and specifically mentioned in the tariff.

CASE 473.

Query. In what account should be included per diem charges for retaining cars of connecting lines longer than the allotted time?

Answer. Such charges should be included in income account, "Hire of Equipment."

CASE 474.

Query. In the purchase of new construction material or equipment, as for example, a locomotive, a note is given in payment. At its maturity interest is paid, a payment is made on account of principal, and a new note bearing interest is given for the remainder. To what account should be charged the interest on the renewal or successive renewals?

Answer. The interest during the period before a road is opened for operation should be charged to road and equipment account No. 47, "Interest and Commissions." After a road is opened for operation the interest should be included in income account I 26, "Interest Deductions for Funded Debt," or I 27, "Interest Deductions for Unfunded Debt," as may be appropriate.

CASE 475.

Query. To what account should be charged the cost of picking up and carting away the garbage, refuse, etc., dumped along the team tracks at stations when cleaning cars?

Answer. It should be included in expense account No. 6, "Roadway and Track." (See Case 41.)

CASE 476.

Query. Is it intended that commercial rates or only the actual cost for transporting material for construction and maintenance work over a carrier's own line should be charged?

Answer. It is intended that only freight charges paid to foreign lines shall be included in the cost of material used in maintenance work. In the cost of material used in additions and betterments work or in construction work shall be included foreign freight charges, and the actual cost (fairly estimated) of transporting the material over the carrier's own line may also be included. The carrier's charges for transportation should be credited to appropriate expense accounts.

CASE 477.

Query. A terminal company furnishes car inspectors for the various lines operating into its terminal and apportions the expense of inspection among the lines on the basis of the number of cars inspected for each line. To what account should the amounts paid by the lines to the terminal company be credited?

Answer. Such amounts should be included in expense account No. 34, "Freight-Train Cars—Repairs," or in account No. 31, "Passenger-Train Cars—Repairs," as the case may be. The same accounts should be charged by debtor lines. (See Case 56.)

CASE 478.

Query. To what account should be charged the pay of timekeepers engaged in construction work, and the cost of tents, bunks, and materials used by them?

Answer. Such expenditures should be distributed to the cost of the specific work to which the timekeepers are assigned.

CASE 479.

(Omitted.)

CASE 480.

Query. To what primary account under Additions and Betterments should be charged the cost of ditching machines used in general roadway work? These machines are not on their own wheels in the sense that they move along the tracks, but they are set up on a cut of cars and move from one end of such cut to the other as circumstances require.

Answer. See Case 500.

CASE 481.

Query. In order that passenger coaches may be supplied with gas at a point where there is no gas plant, a carrier has placed on one of its flat cars two iron tanks for the transportation of gas from its gas plant. The expense of making changes in the car for the reception of the tanks was relatively small. To what account should be charged the cost of changing the car, as well as all subsequent repairs?

Answer. The cost of changing the car and of subsequent repairs should be charged to account No. 43, "Work Equipment—Repairs," provided the cars thus equipped are to be retained permanently in this service. Proper consideration should be taken in the accounts of the change in class of equipment as provided in Note B under additions and betterments account A 33, "Equipment."

CASE 482.

Query. Please advise the proper disposition of the cost of repairing cars as follows:

(a) Commercial cars while temporarily used in connection with work chargeable to Maintenance of Way and Structures.

(b) Work equipment when used in commercial service.

Answer. (a) The cost of any special equipment applied to commercial cars, when temporarily placed in work service, as well as the cost of removing such special equipment, should be charged to account No. 43, "Work Equipment—Repairs"; the remainder of the repairs to these cars while in such service should be charged to account No. 34, "Freight-Train Cars—Repairs."

(b) When work equipment is used only incidentally in commercial service, the cost of repairs should be charged to account No. 43, "Work Equipment—Repairs." When ballast, dump, tank, and water cars are engaged for the greater part of the time in commercial service, they should be considered as freight-train equipment. If used chiefly in work service and only incidentally in commercial service, they should be considered as work equipment. (*See Case 413.*)

CASE 483.

Query. A railroad has arranged to ballast with rock 102 miles of its track on which no ballast has been put heretofore. It has assigned to this work, which will take several months, 2 locomotives and 60 flat cars. How should be charged repairs to this equipment, made necessary on account of the work?

Answer. In case the cost of the repairs on account of the additions and betterments work can be positively determined, this cost may be included in the cost of such work. Otherwise the cost of the repairs of equipment may be charged to the appropriate equipment repairs account and a fair rent for the use of the equipment, including the maintenance thereof, may be included in the cost of the additions and betterments work and concurrently credited to "Hire of Equipment" in Income. (See Case 235.)

CASE 484.

Query. The following provision is under each of the accounts "Superintendence" in the Classification of Operating Expenses: "When officers and others above enumerated have supervision over other departments also, their salaries and expenses should be apportioned equally between the departments over which they have jurisdiction."

Should this rule be applied to both large and small roads in the distribution of salaries and expenses of general or division superintendents?

Answer. It is proper to divide the salaries and expenses of general and division superintendents equally among the superintendence accounts of the departments over which they have jurisdiction. The text is applicable to large as well as small roads. (See Case 330.)

CASE 485.

(Omitted.)

CASE 486.

(Omitted. Case now covered by the classifications.)

CASE 487.

Query. A carrier has been crediting to Outside Operations, "Coal and Ore Docks," on account of the operation of its docks at X, the amounts received for unloading ore from boats to docks, loading ore from dock to cars, and unloading coal from docks to boats. Against this revenue it has charged the expenses of operating the docks. The ore and coal so handled moves over the line of the carrier.

It is understood from the Introductory Letter to the Classification of Revenues and Expenses for Outside Operations that coal and ore docks should not be considered as Outside Operations. Is this correct?

Answer. The docks proper should be considered a facility necessary for handling coal and ore traffic, and the operations should, therefore, be handled through the rail accounts.

The operations of loading, unloading, storing, and trimming, if any, are outside operations, but if the amounts involved are insufficient to affect the statistics of rail operations, the revenues of those operations may be credited to appropriate rail operating revenue accounts and the expenses charged to operating expense account No. 65, "Coal and Ore Docks."

If kept as an outside operation, it should be reported under the caption provided therefor in the Classification of Revenues and Expenses for Outside Operations under the head of "Miscellaneous."

CASE 488.

Query. Two houses on land adjoining a track are occupied by employees, rent free. Is it proper to credit an amount representing a fair rent for the houses to revenue account No. 18, "Rents of Buildings and Other Property," and debit the repairs to expense account No. 16, "Buildings, Fixtures, and Grounds"?

Answer. It is not intended that amounts which do not represent revenue actually earned should be credited to the revenue accounts; neither is it intended that amounts which do not represent actual expenses should be charged to the expense accounts. No credit should be made to the revenue accounts for rent of houses occupied by employees, rent free. The cost of maintaining the houses is a proper charge to expense account No. 16, "Buildings, Fixtures, and Grounds."

CASE 489.

Query. How should a ferry for passenger and freight trains operated as a continuation of a rail line be treated in accounting?

Answer. The operation described is that of a car ferry used in lieu of a bridge. The expenses of operating should be charged to account No. 95, "Operating Floating Equipment."

CASE 490.

Query. Should the operations of electric plants which furnish lights for railroad properties only, such as joint yards and depots, be treated under outside operation accounts?

Answer. Such treatment would be incorrect; it is intended that the outside operation accounts should be used only when current from the plants is sold to other parties.

CASE 491.

Query. Should the distribution of extraordinary expenses for injuries to persons and damage to property, the result of casualties in joint yards,

be made through the joint-facility accounts or through the other primary accounts?

Answer. All expenses incurred in the operation of joint yards, tracks, terminals, or other facilities, in which the parties to the contracts for such operation jointly participate, should be handled through the appropriate joint-facilities accounts. This includes expenses incurred on account of casualties resulting in injuries to persons, destruction or damage to property, etc.

The carrier paying the expenses should distribute the total to its primary accounts. The proportion chargeable to other companies should be handled through the appropriate joint-facilities accounts. (*See Case 364.*)

CASE 492.

Query. A carrier company furnishes joint passenger facilities to five tenant lines, the expense of operation being charged to them on a wheelage basis. It owns 2.45 miles of tracks and the depot building, but does not own or operate any switch engines, the tenant companies handling their trains over the lessor's tracks with their own crews. In what account should the lessor's transportation expenses be included?

Answer. If the tracks maintained by the carrier company and operated over by the tenant lines are a part of its union station facilities, the proportion of transportation expenses charged out by the lessor to tenant lines should be credited to account No. 78, "Operating Joint Yards and Terminals—Cr." If any portion of these are properly classifiable as road tracks, the credits with respect to the operating expenses of such tracks should be included in account No. 105, "Operating Joint Tracks and Facilities—Cr."

CASE 493.

Query. To what account should bills rendered against other companies for their proportion of wages of crossing flagmen where there are no towers or gates be distributed.

Answer. If the crossing flagmen are employed at road crossings where the tracks of two or more companies are parallel and there are no tracks used jointly, the proportion billed other companies should be credited by the billing road to expense account No. 91, "Crossing Flagmen and Gatemen," and taken up in same account by the paying road. If, on the contrary, the flagmen are located at street or road crossings in joint yards, such bills should be included in the "Operating

Joint Yards and Terminals" accounts, and if on joint tracks outside of yards, in "Operating Joint Tracks and Facilities" accounts. (See Case 193.)

CASE 494.

Query. A company has arranged to repair in its shops regularly each month certain cars for other companies. A bill is prepared monthly against the other roads for rent of these shops based upon the following: Depreciation, taxes, supervision, accounting, and interest on valuation of buildings. This bill is entirely separate and distinct from the bill rendered for the repairs to the cars, and the question arises as to the distribution of the bill and corresponding vouchers made by other companies in payment of the rent.

Answer. It appearing that no rights of tenancy are obtained through the payment of these additional charges, the amount should be credited by the company owning the shops and making the repairs to operating expenses through the medium of clearing account "Shop Expenses." The debtor companies should include the additional charges in their appropriate car-repair operating expense accounts. If, however, the bills of the owning company are sufficiently large to unduly affect its rail-operations accounts, the shop should be considered an outside operation.

CASE 495.

Query. A portion of Railroad A's tracks is operated jointly by A and Railroad B (electric). A maintains the tracks. In what account should A include the trackage payments received from B?

Answer. The payments should be apportioned by A to the appropriate joint-facility operating expense and income accounts.

In case the facilities used jointly are of minor importance or the use of important facilities is limited, the rent payment may be included in revenue account No. 18 "Rents of Buildings and Other Property."

CASE 496.

Query. Railroad B pays a certain rate-per-ton for the joint use of Railroad A's tracks. Should that portion of the payments from B which fairly represents rent be included in revenue account No. 21, "Joint Facilities Revenue—Cr.," or in Income?

Answer. Such portion should be included in income account I 8, "Joint Facility Rent Income."

CASE 497.

(Omitted.)

CASE 498.

(Omitted.)

CASE 499.

Query. In what accounts should be included the following items:

(a) The cost of a new ore and coal bunker (not a replacement) used for transferring ore and coal between narrow and standard gage lines?

(b) The cost to a carrier of raising the level of a mining company's shaft house and ore bins, incident to the relocation of the carrier's tracks?

(c) The cost of the license for a stationary engineer at shops?

Answer. These items should be charged as follows:

(a) Additions and betterments account A 21, "Station Buildings and Fixtures."

(b) Additions and betterments account A 5, "Grade Reductions and Changes of Line," and road and equipment account No. 4, "Grading."

(c) "Shop Expenses."

CASE 500.

Query. 1. To what primary accounts should be charged the cost of new concrete mixers, ditching machines, and donkey engines? These machines are for use in maintenance of way and structures work.

2. Is the cost of hand cars, speeders, and velocipedes, supplied for use during construction of a railroad, a proper charge to road and equipment account No. 13, "Roadway Tools," under the Classification of Expenditures for Road and Equipment?

Answer. 1. The cost of such machines, when permanently mounted for movement upon a carrier's tracks, should be included in additions and betterments and road and equipment accounts "Equipment." When not so mounted, if for equipment of a new road, the cost should be included in road and equipment account No. 13, "Roadway Tools"; if for initial equipment of a road in operation, it should be included in additions and betterments account A 22, "Roadway Machinery and Tools"; and if for replacement of similar equipment upon an operating road, it should be included in operating expense account No. 18, "Roadway Tools and Supplies," subject to the provisions for replacement in kind contained in the Classification of Expenditures for Additions and Betterments. Repairs and depreciation upon such equipment during the construction period of a railroad should be charged to the work benefited in the use of the equipment. (See Case 318.)

2. See answer to Case 600.

CASE 501.

Query. To what account should be charged the cost of temporary water stations established for use during construction, which will be abandoned on completion of the road?

Answer. The cost of such water stations should be included in the cost of the work benefited. The cost of water stations which are permanent and intended to be used in the operations of the road should be included in road and equipment account No. 22, "Water Stations."

CASE 502.

Query. Railroad B runs its trains for a distance over Railroad A's tracks, paying a fixed rent per year for the privilege. These trains are operated by B's crews. Which road should report the train-miles of B's trains while on A's tracks?

Answer. B should include in its statistics the train-miles, car-miles, etc., for its trains on A's tracks.

CASE 503.

Query. To what account should be charged the discount on debenture bonds of a carrier company, the proceeds of which are to be used for the general purposes of the company?

Answer. It should be charged to balance sheet account B 20, "Unextinguished Discount on Securities." (See Cases 101, 504, and 505.)

CASE 504.

Query. How should the discount on bonds sold be extinguished?

Answer. The discount should be disposed of in accordance with the text of the general balance sheet account B 20, "Unextinguished Discount on Securities," which provides that the discount may be charged to income account I 28, "Amortization of Discount on Funded Debt," in equal annual installments during the life of the bonds, or, at the option of the carrier, the discount or any part of it remaining unextinguished at any time may be charged to profit and loss account PL 11, "Debt Discount Extinguished through Surplus." The charges to Income in any one year should not exceed the amount of the annual installment applicable to that period.

CASE 505.

Query. Please see Case 19 and note therein the answer: If the discount on bonds sold for the construction of a new road or for additions and betterments is chargeable to account B 20, "Unextinguished

Discount on Securities," does this not conflict with account No. 47, "Interest and Commissions," in the Classification of Expenditures for Road and Equipment?

Answer. Account No. 47, "Interest and Commissions," in the classification of Expenditures for Road and Equipment, does not embrace discounts.

CASE 506.

Query. Should the cost of material and labor necessary for the construction of a temporary trestle, to be filled in later, be charged to account No. 4, "Grading," or to account No. 6, "Bridges, Trestles, and Culverts?" To what account should be charged the cost of maintaining 15 miles of track used for transporting material to fill in the trestle, and after it has been thoroughly surfaced used to transport bridge material?

Answer. The cost of temporary trestling used in making fills on roads under construction should be charged to road and equipment account No. 4, "Grading." The cost of maintaining track solely for the transportation of earth used in fills should be charged to the same account, as should also the cost of operating the work trains handling the earth. The cost of maintaining track used exclusively for the transportation of materials for the construction of a bridge should be charged to account No. 6. "Bridges, Trestles, and Culverts." If the track be used for the transportation of materials for both the construction of fills and the erection of bridges at the same time, and maintenance charges are incurred solely on account of such transportation, the cost thereof should be apportioned between accounts No. 4 and No. 6 in the ratio of the benefits derived by each from such transportation.

CASE 507.

Query. Is not the ruling in Case 372 in conflict with the new revenue accounts Nos. 20 and 21? The text of these accounts speaks of revenue derived from operation of joint tracks. Very naturally this is construed to mean revenues derived from passengers or freight transported, as no revenue can come from the track itself.

Answer. Accounts Nos. 20 and 21 are intended to take care of such joint revenues from the operation of joint facilities as may, under existing contracts, be apportioned to the tenant companies. Primarily, their use is to take care of revenue from rent of rooms in union stations and like facilities. They do not, as enlarged in the supplement, supersede the provisions of the Classification of Operating Revenues as set forth in Note C, under account No. 2, "Passenger Revenue." In Case

372, interpreting this note, it is assumed that the lessee's payment of part of the operating expenses and a flat rent is to enable it to do a through business by the use of the lessor's facilities. If, for the convenience of local patrons, the lessee is permitted to handle local business, any payment of part of the revenue from such traffic is in recognition of the superior rights of the lessor. As the operating expenses are borne proportionately, it is manifestly improper to charge these payments to operating expenses. The only alternative seems to be to treat such payments as additional rent.

CASE 508.

Query. To what accounts should be charged the cost of the following:

- (a) Small motor car for use of our general manager?
- (b) Velocipede cars for use of station agents, to enable them to attend to switch lights?
- (c) Velocipede cars and motor cars for use of superintendents and roadmasters for inspection of track?

Answer. When acquired for equipment of a new road the cost should be included in road and equipment account No. 13, "Roadway Tools." When acquired for a road in operation, if initial equipment, the cost should be included in additions and betterments account A 22, "Roadway Machinery and Tools"; and if for replacement of similar equipment should be included in operating expense account No. 18, "Roadway Tools and Supplies," subject to the limitations of the provisions for replacement in kind contained in the Classification of Expenditures for Additions and Betterments.

Repairs and depreciation of such equipment during the construction period of a railroad should be charged to the work benefited in the use of the equipment.

CASE 509.

(Answer not finally approved. See Accounting Series Circular No. 12e.)

CASE 510.

(Omitted.)

CASE 511.

Query. To what account should a carrier charge the cost of extra drayage at destination caused by an error in routing of an interline shipment by the carrier's agent?

Answer. Such expenses should be charged to expense account No. 98, "Other Expenses."

CASE 512.

Query. In what account should a carrier include an overcharge on a connecting line, caused by the carrier's agent misrouting an interline shipment?

Answer. Such overcharge should be included in expense account No. 98, "Other Expenses."

CASE 513.

Query. To what account should a railroad credit rent received from a telephone company for joint use of its trolley poles?

Answer. Such rent should be included in revenue account No. 18, "Rents of Buildings and Other Property."

CASE 514.

Query. To what accounts shall a carrier credit value of scrap and charge the cost of loading same for sale? This scrap has been scattered along the road for years, and it is now impossible to say to what equipment or structures it originally belonged. It has never been carried in any material account. It has recently been gathered up and sold.

Answer. The receipts from sale of this scrap, less the cost of handling it, should be credited to material accounts and cleared from these accounts to Operating Expenses, in recognition of the fact that such credits to Operating Expenses will to a degree lap over, but those included in one year are usually offset by those left over for the next.

In case the amounts of such credits are relatively large and their inclusion in the operating accounts for a year will unduly relieve such accounts, they may be credited to profit and loss account PL 3, "Delayed Income Credits." The cost of picking up the scrap from right of way should be charged to expense account No. 6, "Roadway and Track," as provided in the text of that account.

CASE 515.

Query. Some time ago a carrier purchased some equipment under the car-trust plan. The purchase price plus the full amount of the interest for the period of the lien was covered by a series of equipment-trust notes of equal denomination. It was the desire and intention, upon liquidation of the last note and taking of title to the equipment, to charge to Additions and Betterments the full amount of the notes representing the equipment trust—that is, the purchase price plus the interest, which would be the total cost of the equipment to us.

Is this permissible?

Answer. The purchase price of the equipment which is included in the notes should be charged by a road in operation to additions and betterments account A 33, "Equipment." The interest on such purchase price included in the notes should be charged as accrued to income account I 26, "Interest Deductions for Funded Debt." (See Case 354.)

CASE 516.

Query. To what account should be charged the pay and expenses of a car accountant whose duties are to take record of the movements of equipment and secure accounting therefor, and to account to other lines for use of their equipment?

Answer. If the car accountant is a subordinate officer in the transportation department, his pay and expenses should be charged to account No. 61, "Superintendence." If he is a subordinate officer in the accounting department, they should be charged to account No. 106, "Salaries and Expenses of General Officers." If he is a clerk in the accounting department, they should be charged to account No. 107, "Salaries and Expenses of Clerks and Attendants."

CASE 517.

Query. A company owns a wharf at which boats are docked and freight transferred between the cars and ship side. It has a contract with a wharf and warehouse company for transferring the freight at a stated amount per ton. To what account should this expense be charged?

Answer. Assuming that the rates, or division of rates, received by a company apply to and from ship side, the expense of transferring freight should be charged to expense account No. 63, "Station Employees."

CASE 518.

Query. A company moved into new quarters and equipped the offices with new furniture and fixtures. To what account should it charge the cost of the furniture and fixtures?

Answer. The cost of furniture and fixtures which remain the property of the company, for the equipment of newly rented offices, should be charged to additions and betterments account A 35, "Other Additions and Betterments," subject to the limitations prescribed in the Classification of Expenditures for Additions and Betterments.

CASE 519.

Query. If a railway has some of its engineers engaged in the inspection of the construction of a line of railway which it expects to purchase on

completion, and wishes the work inspected during its progress, to what accounts should their pay and expenses be distributed?

Answer. The salaries and expenses of persons so engaged should be charged to a suspense account until such time as it can be determined where these expenditures belong. In case the road is purchased, these expenditures should be included in road and equipment account No. 36, "Cost of Road Purchased." If for any reason the road is not purchased, the expenditures are properly chargeable to Profit and Loss. (See Case 435.)

CASE 520.

Query. At various terminals on a section of Railroad A's line, which is jointly operated with Railroad B, switching engines are furnished by B. How should the rent of these engines, which covers the cost of repairs, be included in A's accounts?

Answer. The entire rent should be charged to income account "Hire of Equipment."

CASE 521.

Query. In case a locomotive is turned on a Y, and the service does not require any enginehouse men, should not the amount paid or received for such service be treated as for temporary use of track?

Answer. The payment for an occasional turning of a locomotive on a Y should be charged to expense account No. 89, "Train Supplies and Expenses," and credited to revenue account No. 19, "Miscellaneous." (See Case 74.)

CASE 522.

Query. Railroad A loans an engine and three coaches to Railroad B for excursion service, and charges B for trackage and wages of employees delivering the equipment. How should these charges be treated?

Answer. Such charges should be included by B in income account, "Hire of Equipment." If the delivery services were within a switching district, A should credit revenue account No. 9, "Switching Revenue"; if otherwise, the credit should be to account No. 11, "Miscellaneous Transportation Revenue."

CASE 523.

Query. A company builds a spur track to serve an industry and charges the total cost to Additions and Betterments. After the work is completed, the industry pays the carrier an amount to cover cost of labor in laying the track. The title to the entire spur is retained by the carrier. To what account should it credit the amount received by it?

Answer. The amount received should be credited to Additions and Betterments. If, however, such payment by the industry was contemplated in the agreement for construction of the spur, that amount should have been charged originally to a suspense account, to which account the amount received should be credited.

CASE 524.

Query. The installation of additional interlocking plants was contemplated, and the material was purchased and unloaded at the site of the work, and partially erected. Subsequently the plans were changed, the work abandoned indefinitely, and the material taken down and put into stock.

1. To what account should the cost of the material and the labor of handling and erecting be charged?

2. To what account should the labor of dismantling and getting the material back into stock be charged?

Answer. The total cost, less salvage, should be charged to profit and loss account PL 15, "Miscellaneous Debits." (See Cases 485 and 519.)

CASE 525.

Query. A carrier has established an insurance fund by making appropriations from Income from time to time, and investing the amount in interest-bearing securities. The fund is now so large that the interest received will take care of all losses and premiums that accrue on insurance carried by the company.

In such case is it permissible not to charge Operating Expenses with any premiums for insurance carried? In other words, the interest in the Insurance Fund being sufficient to take care of all premiums and losses to property insured by the carrier. Operating Expenses would not be chargeable with any premiums for insurance carried by the company itself or with outside insurance companies.

On the other hand, if, at any time, the accretion to the fund is more than is required to take care of losses and premiums referred to, would it be permissible to transfer such excess to the general funds of the carrier?

Answer. The "Insurance" account in the Classification of Operating Expenses is intended to cover all premiums paid or accrued for insurance.

The fact that a special fund invested in securities provides income sufficient to take care of all premiums and losses should have no bearing upon the charge to Operating Expenses for the premiums accrued. The

income resulting from such investment is a proper credit to income account I 15, "Income from Sinking and Other Reserve Funds."

CASE 526.

Query. A carrier is setting aside a liability insurance fund by charging account No. 41, "Insurance" (Condensed Classification). When vouchers are passed covering personal injuries they are charged to "Liability Insurance Fund," and then an entry is made crediting account No. 41, "Insurance," with the amount and charging the proper personal injury account under Maintenance of Way and Structures, or Transportation Expenses, as the case may be.

Is this method of handling the matter correct?

Answer. Vouchers covering personal injuries should be charged to "Liability Insurance Fund," when such fund is created by monthly charges to account No. 41, "Insurance" (Condensed Classification).

No entries should be made crediting account No. 41 with the amount of such vouchers and charging personal injury accounts under Maintenance of Way and Structures or Transportation Expenses.

In case a carrier assumes its own risks on account of accidents and establishes a reserve, raised by charges to account No. 41, "Insurance," amounts paid for personal injuries will not appear in Operating Expenses under the various accounts, "Injuries to Persons."

CASE 527.

Query. A carrier transports theatrical passengers upon regular passenger trains and their baggage and paraphernalia upon chartered trains upon the basis of a lump sum for the combined service. The contract does not indicate the proportion of the amount received which covers the transportation of passengers or how much is for the transportation of baggage, etc. What is the correct accounting?

Answer. The passengers being carried on regular passenger trains, the accounting officer should determine the proportion of the lump sum received which is properly assignable to revenue account No. 2, "Passenger Revenue," and should credit the remainder to revenue account No. 10, "Special Service Train Revenue."

CASE 528.

Query. To what account should be charged the refunds to detective agencies of fares paid by their detectives while traveling solely in a carrier's service?

Answer. Refunds of fares on carrier's own line should be charged to revenue account No. 2, "Passenger Revenue," and of fares on foreign lines to the appropriate operating expense accounts.

CASE 529.

Query. Referring to account No. 18 in the Classification of Expenditures for Road and Equipment, what buildings constitute "station buildings"?

Answer. Baggage buildings, bridges at stations (not public highways), coal bins for station use, express buildings, freight houses, grain cribs, grain elevators (small storage elevators), outhouses, passenger stations, power houses used exclusively for generating power for station purposes, restaurants, station platforms, station subways, stock pens, telegraph offices (other than towers for interlocking block and signal purposes), trainmen's buildings, transfer houses, and platforms.

CASE 530.

Query. To what account should be charged rents paid for fare registers used on electric cars operated over a small portion of railway on which there is electric car service?

Answer. Assuming that a company is keeping its accounts according to the Classification of Operating Expenses for Steam Roads, the rents paid for fare registers should be charged to account No. 89, "Train Supplies and Expenses."

CASE 531.

Query. Railroad B pays Railroad A a fixed monthly rent and a proportion (based on car and engine miles) of operating expenses for the joint use of A's tracks between Y and Z. The contract between the two railroads gives A the right to erect, at any time, interlocking plants at Y and Z and to charge B with a proportion of the cost, based on the car and engine miles of the preceding six months. This arrangement gives no property rights to B. In case of the construction of these plants, what is the correct accounting by A and B for the cost of the plants?

Answer. Assuming the plants to be an addition, A should charge their cost to the proper additions and betterments accounts. The proportion of the cost paid by B should be credited by A and charged by B to the appropriate joint-facility rent accounts under Income, such payments being in the nature of additional rents.

CASE 532.

Query. What accounts should be charged with the cost of furnishings and other office supplies of a claim agent, who is in charge of the settlement of claims covering injuries to persons and damage to property other than freight and baggage?

Answer. The cost should be apportioned among the accounts to which the salary of the claim agent is charged.

Provision is made under the various "Injuries to Persons" accounts and accounts No. 101, "Damage to Property," and No. 102, "Damage to Stock on Right of Way" for salaries and expenses of claim adjusters.

CASE 533.

Query. To what account should be charged the pay of a telegraph and a telephone operator engaged in handling the business for all departments in a general office?

Answer. The salaries of the telegraph and telephone operators employed in the general office should be apportioned to the departments served, on an equitable basis.

CASE 534.

Query. Is it the intention that where the general, traffic, and transportation departments occupy one general office building, the cost of such items as rent, heat, light, etc., in such offices shall be included in account No. 108, "General Office Supplies and Expenses?"

Answer. The supplies of the offices of the general officers enumerated in account No. 106, "Salaries and Expenses of General Officers," should be included in account No. 108, "General Office Supplies and Expenses." The office expenses of department superintendents who occupy the general offices should be apportioned to the appropriate "Superintendence" accounts. (See Case 404.)

CASE 535.

Query. The passenger trains of railroad B run into the union station of terminal railroad A. B pays A an agreed rent for use of the station, a small amount for trackage, and the expenses of the running repairs to the locomotives and of the cleaning of the cars in these trains. In what accounts should B include these payments?

Answer. The amount paid for rent and trackage is compensation for the use of joint facilities and should be divided between income account I 21, "Joint Facility Rent Deductions," and the various joint-facility accounts under Operating Expenses.

The amounts paid the terminal company for repairs to locomotives are not joint-facility items and should be charged by B to account No. 25, "Steam Locomotives—Repairs."

The amounts paid the terminal company for cleaning cars should be handled through the appropriate joint-facility expense accounts if the expense is incident to the operation of joint car-cleaning yards. (See Case 410.)

CASE 536.

(Omitted.)

CASE 537.

(Answer not finally approved. See Accounting Series Circular No. 12e.)

CASE 538.

Query. To what account should the collections be credited and the expenses be charged for ice supplied at tariff rates for refrigeration of freight?

Answer. The refrigeration charges collected should be credited to expense account No. 89, "Train Supplies and Expenses." The cost to the carrier of the refrigeration should be included in the same account.

CASE 539.

Query. A carrier company's main line connects with two other railroads. Its traffic is largely lumber, and the timber supply is partly located on the lines with which it connects. The company operates over the two lines for the purpose of hauling the logs to mills on its lines and the lumber back to its connections. In order to get the logs it is necessary to build temporary tracks from these lines. The main tracks into the timber are built at the expense of the carrier company, and the mill company builds branches from these main lines, using steel rails belonging to the carrier; in other words, the carrier builds a part of the track into the timber and furnishes the rail and angle bars for all of the track. It also furnishes the locomotives and cars used by the mill company in delivering the logs to the points where the timber lines connect with the carrier lines.

These tracks are all maintained by the mill company, and all repairs or damage to equipment is borne by the mill company.

(a) To what account should the expense of constructing these temporary lines be charged?

(b) To what account should the depreciation on the equipment be charged?

(c) To what account should the expense of operating the carrier's trains over the connecting lines, including trackage paid to such lines, be charged?

Answer. It is assumed that the carrier receives rent from the mill company for the use of the tracks in question as well as of the equipment loaned; that it receives regular tariff rates for transporting the logs from the junction of the timber lines to the mills; and that its expense accounts are kept in accordance with the condensed Classification of Operating Expenses for Steam Roads.

(a) The first cost of constructing these temporary lines should be charged to additions and betterments account A 13, "Sidings and Spur Tracks," and when relocated or taken up the cost should be handled in accordance with the requirements of the Classification of Expenditures for Additions and Betterments.

(b) The depreciation on equipment should be charged to proper depreciation accounts in the Classification of Operating Expenses.

(c) The expense of operating the carrier's trains between the points where the logs are received and the point where they are delivered to the mills should be charged to primary accounts in the regular manner. The amount paid to connecting lines for trackage should be apportioned by the connecting lines, in making bills, between the joint facilities operating expense and income accounts, and such distribution should be followed by the debtor.

CASE 540.

Query. Terminal railroad A is operated as a joint facility for railroads B, C, and D. How should B, C, and D include in their accounts their proportions of the results of the operations for their joint account of a station restaurant by A, the operations of which are included by A in the outside operations accounts?

Answer. A should apportion to each tenant road a proportion of both revenues and expenses of the restaurant service. The tenant roads should take up in the outside operations primary accounts their respective proportions of these revenues and expenses.

CASE 541.

Query. In view of the fact that account B 36, "Audited Vouchers and Wages Unpaid," provides that unclaimed wages should be included therein, is it permissible to close unclaimed wages into Profit and Loss?

Answer. There is no objection to closing out unclaimed wages at the proper time to profit and loss account PL 4, "Miscellaneous Credits." (See Case 457.)

CASE 542.

Query. (a) In what general balance sheet account should be included the cost of equipment purchased under a trust plan?

(b) How should the carrier's ownership in such equipment be represented?

Answer. (a) The cost of equipment acquired under a trust agreement should be included in general balance sheet account B 1-B, "Investment since June 30, 1907," and in subaccount "Equipment." The obligations assumed in payment for the equipment should be stated in account B 31, "Funded Debt" and in subaccount (e) "Equipment Trust Obligations."

(b) In most cases the railroad's interest in the equipment is represented by the reduction in amount of the obligations issued. Where the obligations have a common date of maturity and deposits are required to be made with a trustee to cancel them at maturity, the railroad's interest is represented by the value of the fund in the hands of the trustee, which should be stated in account B 23, "Cash and Securities in Sinking and Redemption Funds."

CASE 543.

(Omitted.)

CASE 544.

(Omitted.)

CASE 545.

Query. Is it intended to close monthly to account B 1-B, "Investment since June 30, 1907," under "Property Investment," charges to Additions and Betterments, or is this to be done at the end of the year? In the latter case, where should be carried additions and betterments on the monthly balance sheet?

Answer. Expenditures for additions and betterments are required to be closed finally into the property accounts. If this is not done monthly, it is preferred, on account of the requirements of the annual report forms, that it shall be done at the close of each fiscal year. The monthly balances in the additions and betterments accounts may be carried in a suspense account under balance sheet account B 26, "Other Deferred Debit Items."

CASE 546.

Query. Referring to Form of General Balance Sheet Statement:

A carrier has a subordinate railroad separately incorporated. When constructed, the entire cost of the road was charged and now stands

in the carrier's "Cost of Road." Stock was issued and a small number of shares held in the carrier's treasury, the balance being pledged and in hands of a trustee. No dividends are paid, the road being operated as part of the carrier's system. The entire amount of the stock has not been carried on the carrier's books as "Securities Owned" for the reason that the asset appears in its "Cost of Road" account.

Is it required that these securities be set up in an account on the carrier's books and appear on the prescribed balance sheet under "Securities of Proprietary, Affiliated, and Controlled Companies—Pledged (and Unpledged)"; if so, under what corresponding liability account should they be closed?

Answer. The cost of the property of the subordinate company should not be included in the "Cost of Road" account. The stock of the corporation is owned, not its physical property. The book value of the stock should be stated as "Securities of Proprietary, Affiliated, and Controlled Companies—Pledged (or Unpledged)," in accordance with accounts B 2 and B 4 in the Form of General Balance Sheet Statement.

CASE 547.

(Omitted.)

CASE 548.

(Omitted.)

CASE 549.

(Answer not finally approved. See Accounting Series Circular No. 12e.)

CASE 550.

(Omitted.)

CASE 551.

(Omitted.)

CASE 552.

(Omitted.)

CASE 553.

(Omitted.)

CASE 554.

Query. To what additions and betterments account should be charged the cost of the original installation of planks between and alongside the rails at a point where commuter passengers are received and discharged, there being no station at this point?

Answer. Such cost should be included in account A 21, "Station Buildings and Fixtures."

CASE 555.

Query. A company proposes rebuilding second hand wooden gondola cars by applying steel bodies. Does the change in material of the cars constitute such a change in class of equipment as that referred to in Note B, under the text of additions and betterments account A 33, "Equipment"? How should the cost of the changes be charged?

Answer. Such a change in the material of a car is not considered as constituting a change in the class of equipment.

Paragraph 3 of additions and betterments account A 33, "Equipment," explains the method of accounting for the cost of such rebuilding of equipment. (See Case 420.)

CASE 556.

Query. Is it intended that all debits and credits to the additions and betterments accounts shall be analyzed in detail and reclassified in accordance with the Classification of Expenditures for Road and Equipment?

Answer. As explained in paragraph 14 of the General Instructions in the Classification of Expenditures for Additions and Betterments, the net increases or decreases in the investment as indicated by the additions and betterments accounts are to be closed into road and equipment accounts.

This requirement practically involves a classification of all debits and credits in road and equipment accounts as well as in additions and betterments accounts.

CASE 557.

(Omitted.)

CASE 558.

(Omitted.)

CASE 559.

Query. A new enginehouse is being built by a road which has to haul the material for some distance on freight cars. May it charge to Additions and Betterments the time the freight cars are in use in handling material for this building; and, generally, is it to be understood that the rent and expenses of locomotives and work cars used in additions and betterments work is to be charged to the cost of the work?

Answer. The principle followed in the Classification of Expenditures for Additions and Betterments is that the cost of transportation may be included as part of the cost of improvement. This will involve a charge for freight on foreign lines and the actual cost of transportation

on the carrier's own lines. A fair rent for and the expenses of equipment used in additions and betterments work may be charged to the cost of the work. (*See Cases 132 and 476.*)

CASE 560.

Query. A company handles logs and ores extensively, and to get this freight is obliged to build temporary tracks into the woods and to the mines. Is it permissible, instead of charging the entire cost of these tracks to additions and betterments account A 13, "Sidings and Spur Tracks," to charge the material, such as rails, angle bars, and switches, to this account, and to include in Operating Expenses the cost of the ties, bolts, and grading? In this way the irrecoverable portion of these tracks is disposed of during the time revenue from them is being received and not after the revenue is all in.

Answer. The entire first cost of the sidings and spur tracks should be charged to the property accounts through Additions and Betterments. If it is desired to provide in advance for the abandonment of such tracks, so that operating expenses will bear the burden during the earning period of the tracks, depreciation accounts may be set up for the purpose of creating a reserve, to which may be charged the cost of such tracks, less salvage, when abandoned, provided a list of the subprimary accounts to be set up for the purpose is first filed with the Division of Carriers' Accounts, as provided for in the orders promulgating the classifications.

(*See paragraphs 4 and 5 of the General Instructions in the Classification of Expenditures for Additions and Betterments.*)

CASE 561.

Query. To what account or accounts should be charged the original cost of putting in sidings or spur tracks?

Answer. The first cost of sidings and spur tracks laid by a road in operation should be charged to additions and betterments account A 13, "Sidings and Spur Tracks." If the sidings and spur tracks are laid as part of first construction the cost should be included in the different accounts provided in the Classification of Expenditures for Road and Equipment.

CASE 562.

Query. Provision is made in the classification of Expenditures for Additions and Betterments for excess weight of rail, for heavier or improved frogs and switches, and for improved track fastenings. Where

should be charged the excess cost of improved ties, as when oak ties replace pine; treated ties, untreated; or metal ties, wooden?

Answer. No provision has been made in the Classification for betterments of ties.

CASE 563.

(Omitted.)

CASE 564.

Query. A railroad rents station buildings and tracks and the land on which the buildings and tracks are located from a company which is not a transportation company. It has exclusive use of the property. To what account should the railroad charge these rents?

Answer. As a general principle, payments for the use of property or facilities required by a carrier are considered proper charges to Income. Exceptions have been made for offices and station buildings rented. Rent paid for a building usually includes the use of necessary land. Where a rental payment involves the use of a station building and a yard, the rent should be equitably divided and the part representing rent for the station building charged to expense account No. 66, "Station Supplies and Expenses," in the Classification of Operating Expenses, while the second part, representing the use of other property, should be charged to income account I 22, "Miscellaneous Rent Deductions."

CASE 565.

Query. A railroad is constructing for a short distance a new double track, which will give it better grades and improved facilities. After this has been constructed the original main-line single track will be discontinued and the rails and other material disposed of. The Commission requires monthly reports of operating revenues and expenses, and it is supposed that the estimated cost of reproducing the track which is to be discontinued should be included in our reports of operating expenses some time during the year. Is it proper to include this, by monthly estimates, in reports from month to month while the work is going on, or shall a suspense account be opened, such as is referred to in the General Instructions to the Classification as "Distribution of charges for abandoned property"?

Answer. After making as close an estimate as possible of the cost of improvements undertaken and dividing the total of the estimate into the parts chargeable to Additions and Betterments and to Operating Expenses, there is no objection to monthly charges being made to both accounts as the work progresses, provided the accounts are ad-

justed annually to the basis of actual expenditures. The account B 21, "Property Abandoned, Chargeable to Operating Expenses," was designed for the purpose of enabling a carrier to spread over two or more years the amount chargeable to Operating Expenses on account of additions and betterments work when the operating expense accounts of the carrier would be unduly burdened if the whole amount were included in a single year.

CASE 566.

Query. How may a carrier make adjustment of the differences, due to insufficient charges for depreciation, between the value of equipment as carried in its property account and the actual value of the equipment as ascertained by an inventory appraisal?

Answer. The property accounts should include the cost of equipment owned; the depreciation account should represent the expired value (depreciation) on that equipment.

If a carrier's equipment accounts prior to July 1, 1907 (the effective date of the depreciation accounts in Operating Expenses) show insufficient charges for depreciation, and a carrier elects to make an adjustment so that the property account "Equipment" shall, in fact, reflect the cost of equipment in service and the depreciation accounts reflect the full amount of depreciation accrued on such equipment from the beginning of its life, such adjustment for depreciation prior to July 1, 1907, should be made through Profit and Loss.

Advice as to the proper disposition of differences due to insufficient charges for depreciation after July 1, 1907, will be given by the Commission upon receipt of particulars of such discrepancies.

CASE 567.

Query. In the Classification of Expenditures for Additions and Betterments prescribed by the Commission, effective on July 1, 1910, account A 33, "Equipment," provides that the cost of all equipment purchased, built, or otherwise acquired shall be charged to Additions and Betterments, without regard to replacement accruals, and that the original cost of all equipment retired shall be credited to Additions and Betterments.

This is a radical departure from the methods adopted by the Commission July 1, 1907, under which new equipment and equipment retired were to be carried in equipment replacement account, and question now arises as to what carriers are to do with the vast sums that they have charged in the past for depreciation on equipment, which sums have been credited to equipment replacement account.

Answer. The changes made in the equipment accounts are in the direction of attaining greater uniformity in accounting methods. The effect of the methods prescribed for handling the accounts is that the account Property Investment will, in theory, include the actual cost of all equipment owned, while the depreciation account will represent the expired value or depreciation on that equipment.

It will be necessary now, as in the past, to charge each month to Operating Expenses a certain amount representing depreciation on equipment owned.

An adjustment may be made through the additions and betterments accounts so that there may be added to the depreciation reserve the amount of depreciation charged to Operating Expenses prior to July 1, 1909, on equipment in service on that date. Such adjustment will of course correspondingly affect the equipment account; the accrued depreciation on equipment in service July 1, 1910, should be left in the depreciation account and the cost of such equipment in the property account.

If the accounts prior to July 1, 1907 (the effective date of the depreciation accounts in the Classification of Operating Expenses) show insufficient charges for depreciation and a company elects to make an adjustment so that the account Property Investment will reflect the actual cost of the equipment now in service and the depreciation account will include the full amount of depreciation accrued on that equipment from the time it was taken into service, the adjustment for depreciation accrued prior to July 1, 1907, should be made through Profit and Loss.

CASE 568.

(Omitted.)

CASE 569.

Query. A railroad company has purchased the property of another railroad, and with it a lot of equipment which will be appraised at present value and so taken into inventory account. It is the intention to immediately rebuild and repair many of these cars. It is the understanding of the purchaser that this expense constitutes a proper charge to account A 33, "Equipment," and that the only expenditures on account of this equipment chargeable to Operating Expenses of the purchaser will be those on account of repairs, etc., rendered necessary by service after the date of the taking over the property. Is this understanding correct?

Answer. In case a road takes over the equipment of another road, its appraised value is to be charged to Additions and Betterments,

as provided in account A 32, "Reconstruction of Road Purchased." This account presumes, of course, that the equipment is to be appraised at a fair cash value in the condition in which it was acquired. Starting from this point, the cost of any improvements made is chargeable to additions and betterments account A 33, "Equipment," as rightfully as would be the cost of improvements to equipment already in service or acquired direct from the makers. The cost of repairs made necessary by operation after the acquirement of the equipment is chargeable to Operating Expenses.

CASE 570.

(Omitted.)

CASE 571.

(Omitted.)

CASE 572.

(Omitted.)

CASE 573.

(Omitted.)

CASE 574.

Query. In the Classification of Expenditures for Additions and Betterments, effective on July 1, 1910, the text of the primary account, "Equipment," second paragraph, provides that depreciation prior to July 1, 1907, is to be charged to Profit and Loss.

In the Classification of Operating Expenses, Third Revised Issue, it is ordered that there should be charged to Operating Expenses—"Depreciation"—and credited to Replacement account, monthly, one-twelfth of a certain per cent per annum of the original cost of the equipment; and, when the equipment is retired from service, there should be charged to Operating Expenses—"Renewals"—and credited to Replacement account the original cost, less amount previously charged for depreciation and less the value of the scrap or salvage recovered. "Reserve" account is thus credited with the original value of the equipment without regard to whether or not depreciation accrued prior to July 1, 1907. Is there not a conflict in the two orders?

Answer. The provision in the Additions and Betterments classification to the effect that depreciation accrued before July 1, 1907, should be charged to Profit and Loss is not at variance with the principles heretofore announced by the Commission. It is true the Operating Expenses classification does not specifically prohibit this depreciation from being charged to Operating Expenses. Accounting Series Cir-

cular No. 13, however, was issued on July 29, 1907, and explains very specifically that current operating expenses should not be charged with expenses that rightfully belong to previous years.

CASE 575.

Query. Under the provisions of the Classification of Expenditures for Additions and Betterments, a carrier has left standing in its Replacement account a large balance, which will be constantly augmented, and it does not appear to be available for any purpose. How is this account to be closed? Should not depletions in the equipment be cared for before charging new equipment to Additions and Betterments?

Answer. The replacement (depreciation) account is not to be closed out and is not exhausted so long as the road continues in operation. At all times it stands as the measure of depreciation. Nothing prevents replacement of old with new equipment, and if one lot of equipment is replaced by another, the Property accounts are not affected to a greater extent than the difference between the cost of the two. Property accounts in the balance sheet statement are intended to be a statement of the actual investment. It is believed that the equipment accounts in the Classification of Expenditures for Additions and Betterments more nearly attain this object than they did formerly.

CASE 576.

Query. Certain outstanding bonds are redeemed at a premium, and other bonds of a new issue are sold. To what accounts should be charged the premium on the redeemed bonds and the expenses in connection with the new issue, such as legal expenses, engraving, etc.?

Answer. The premium on the bonds redeemed may be charged to Profit and Loss, into which account also should be closed any balances carried in account B 20, "Unextinguished Discount on Securities," and account B 44, "Unextinguished Premiums on Outstanding Funded Debt," resulting from the issuance of these bonds. The expenses in connection with the new issue of bonds should be charged to the appropriate discount and premium account.

CASE 577.

Query. Railroad B furnishes the necessary equipment and operates passenger trains a distance over Railroad A's tracks. A pays B a rate per train-mile for the service and receives all local revenue and proportion of revenue for through traffic in trains while on these tracks. What is the proper accounting for these revenues and expenses?

Answer. Railroad A should credit the revenue of the trains to the primary accounts under Revenue from Transportation and should report all passenger and mileage statistics of the trains.

The amount paid for the train service should be divided, upon a basis agreed to between the two roads, into two parts; one part, representing the rent of the equipment, should be included by both roads in income account "Hire of Equipment," the other part, representing the expenses of operation, should be charged by A under general accounts Maintenance of Equipment and Transportation Expenses to the primary accounts other than joint-facility accounts, and should be deducted by B from the charges to the similar accounts.

CASE 578.

Query. In preparation for the construction of a road, several lines were surveyed, solely to affect the contribution of the right of way by landowners desiring the road built. The road was finally located on a line different from those previously surveyed. Should the expense of running the previous lines for the purpose of securing the right of way at a minimum cost be charged to the "Right of Way" account?

Answer. The cost of all preliminary surveys conducted in connection with the construction of a new road should be charged to the "Engineering" account.

CASE 579.

Query. A railway company purchases cars for a certain amount per car, payable monthly, with interest on the deferred payments. To what account should the interest be charged?

Answer. It should be charged to income account I 26, "Interest Deductions for Funded Debt."

CASE 580.

Query. Railroad A connects with Railroad B at X. To avoid transfer at X of passengers to and from Y—an important point on A's line—the cars in B's trains are used in A's trains between X and Y. B makes no charge for the use of these cars and guarantees A a certain minimum of earnings from these trains. In what accounts should the amounts paid under this guaranty be included?

Answer. These amounts should be credited by A to revenue account No. 8, "Other Passenger-Train Revenue," and should be charged by B to expense account No. 98, "Other Expenses."

CASE 581.

Query. A railroad is constructed at a cost equal to the amount realized from the proceeds of a bond issue. Capital stock is issued to stockholders free of charge. What entries should be made in the balance-sheet accounts on account of the issue of this stock?

Answer. The par value of the stock issued should be credited to account B 28, "Capital Stock," and should be debited to account B 20, "Unextinguished Discount on Securities." The cost of road and equipment as stated in the Property Investment accounts should be their actual cost in cash.

CASE 582.

Query. In the last fiscal year an amount was credited to Maintenance of Equipment which should have been credited to "Equipment." How may adjustment be made?

Answer. Adjustment may be made in current accounts, unless such entries will impair comparisons, in which case application may be made to the Commission for permission to make adjustment through Profit and Loss.

CASE 583.

Query. In what account should a carrier include an amount recently paid for damages to a building and lot near the right of way during the construction of its road in 1903?

Answer. Such amount should be charged to road and equipment account No. 2, "Right of Way and Station Grounds."

CASE 584.

Query. A carrier realized a profit of \$2,000 upon coal which it furnished in one month to another carrier. If this profit is credited as provided in Cases 246 and 262, it will decidedly upset its operating expenses. In what account should the profit be included?

Answer. Cases 246 and 262 have reference to small profits arising from work done or supplies furnished under conditions which make it difficult to separate costs and profits.

If a carrier regularly supplies a commodity, the business should be conducted as an outside operation; but if, as in the case mentioned, there is a temporary arrangement only, the profit arising should be credited to revenue account No. 19, "Miscellaneous." It is assumed that in arriving at the profit, proper allowance was made for freight and handling.

CASE 585.

Query. What is the proper disposition of a profit realized from the sale of real estate which was purchased by a company in connection with its right of way and station grounds, and not being needed, was afterwards sold at a profit?

Answer. Such profit should be credited to profit and loss account PL 4, "Miscellaneous Credits."

CASE 586.

Query. There are cases in which the transportation department of a carrier is required to do extra switching for the maintenance of way department, which consists in the placing of cars for the convenience of section men, after they have reached their destination. Should the maintenance of way accounts be charged for this special service, and, if so, how should the amounts be credited?

Answer. When the switching is performed by engines regularly engaged in revenue service and is incidental to the usual free transportation of company material, no charge should be made.

If the service is distinct from revenue service and is sufficient to justify consideration as work-train service, the actual expenses of the service should be included in the cost of the work for which the material switched is used.

CASE 587.

Query. A road sells short-term notes because the money market does not warrant the sale of the bonds, which are deposited as collateral for the notes. Is it permissible to spread the discount on the notes over the life of the bonds, treating the sale and retirement of both notes and bonds as one transaction?

Answer. The sale and retirement of the notes should be separately considered, and the discount suffered should be treated as provided in general balance sheet account B 20, "Unextinguished Discount on Securities."

CASE 588.

Query. A carrier has been carrying on its books for over a year several uncollectible items of freight charges against concerns which have gone into bankruptcy. To what account should these items be charged?

Answer. See Case 589.

CASE 589.

Query. A shipper to whom credit was extended under authority of the accounting department became insolvent and freight charges could not be collected. To what account should the loss be charged?

Answer. The loss should be charged to income account I 30, "Miscellaneous Deductions," or to profit and loss account PL 14, "Delayed Income Debits," as may be appropriate; or to a reserve for doubtful accounts in case such a reserve has been provided.

CASE 590.

Query. To what account should be charged the amount of a recent judgment covering a construction expense, the construction accounts of the carrier having long since been closed?

Answer. Such items should be charged to the same road and equipment accounts that would have been charged had the payments been made promptly.

CASE 591.

Query. To what account should be charged a contribution to a guaranty fund to protect a "Chautauqua" against loss?

Answer. If such a contribution is made for traffic purposes, the amount should be charged to account No. 55, "Advertising." Contributions made without regard to traffic but incidental to operation should be charged to account No. 114, "Other Expenses." If a road should contribute funds in its capacity as a corporation which are not properly includible in operating expenses, the amount should be charged to income account I 30, "Miscellaneous Deductions."

CASE 592.

Query. A bridge company owns, maintains, operates, and pays the taxes upon a bridge over which a single railroad, in consideration of a fixed annual rent, enjoys the right to operate its trains. In what accounts should this rent be included?

Answer. The bridge company, not being an operating railway company, should credit to Operating Expenses such proportion of the rent as will extinguish its charges for maintenance and operation. It should credit the remainder of the rent to income account I 9, "Miscellaneous Rent Income," and should charge the taxes to account I 5, "Railway Tax Accruals."

The railroad should charge the proportion of the rent representing the expenses of maintenance and operation to the appropriate operating expense primary accounts and the remainder to income account I 22,

"Miscellaneous Rent Deductions." As this is the only railroad operating trains over the bridge, it is not a joint facility.

CASE 593.

Query. A certain railroad adjusted the value of its equipment in its property account on June 30, 1907, to the inventory value as of that date. Upon what values should the depreciation of such equipment be based?

Answer. In theory, the depreciation should be based upon the cost of the equipment, but in view of the possible adjustments that may have been made on or before the effective date of the depreciation accounts (July 1, 1907), the record value of that date will be accepted as the basis of the computations.

The record value of equipment is understood to represent the cost, with such adjustments as may have been made in recognition of the depreciation accrued at the time of the adjustment.

CASE 594.

Query. A railroad company is building into an adjacent foreign country and finds it necessary to pay duties on construction material and supplies and to incur other expenses, such as the purchase of revenue stamps and the payment of brokers' commissions, etc. As the distribution of these expenses to the various construction accounts is somewhat complicated, is it at liberty to charge them to one account, namely, "Other Expenditures"?

Answer. When possible the duties and expenses should be added to the cost of the material. When the proper distribution of such expenses is difficult or impossible, they should be charged to road and equipment account No. 48, "Other Expenditures."

CASE 595.

Query. To what accounts should the cost of extending a main line a few miles beyond its present terminus be charged?

Answer. Such expenditures should be charged directly to the appropriate road and equipment accounts.

CASE 596.

Query. How should county script which is purchased at a discount and which will be accepted at face value in payment of taxes be carried in the balance sheet, and in what accounts should the profit be included when the scrip is used?

Answer. The scrip should be carried in assets at cost. When it is used in the payment of taxes the profit should be credited to profit and loss account PL 4, "Miscellaneous Credits."

CASE 597.

Query. At certain points on the border cars are held by the custom-house authorities a considerable length of time. Is the per diem accrued during the detention of the cars chargeable to "Hire of Equipment" or to transportation expense account No. 98, "Other Expenses?"

Answer. The per diem charges assessed in accordance with the per diem rules of the carrier should be charged to "Hire of Equipment."

CASE 598.

Query. To what account should be credited profits arising from the sale of material from stock?

Answer. If the profits arising from the sale of materials and supplies from stock are considerable in amount they should be credited to revenue account No. 19, "Miscellaneous," otherwise they should be credited to Operating Expenses. (See Cases 246, 262, and 584.)

CASE 599.

Query. For the convenience of passengers a carrier is about to construct a subway under its tracks between the east-bound and west-bound passenger stations. In the engineer's estimate is an item "Temporary support of track." Should the cost of the temporary support be charged to Additions and Betterments or to Operating Expenses?

Answer. It should be charged to Operating Expenses.

CASE 600.

Query. How should be charged the cost of hand cars and push cars used in the construction of a railroad?

Answer. The cost should be included as a part of the cost of the work upon which the cars are used. The accounts thus charged should be credited with the proceeds of any such cars sold during the construction period, as well as with the inventory value of any cars remaining at completion of the road. The inventory value of the cars retained in the operation of the road after the construction period should be included in road and equipment account No. 13, "Roadway Tools."

CASE 601.

Query. A carrier uses a short section of an idle tram road as a switching track to reach certain industries, paying a fixed sum as annual rent for the exclusive use of the track, and in addition one-half of the amount

collected from other roads for switching cars. The tram road is not a common carrier. In what accounts should the carrier include the amounts paid to the tram road?

Answer. The total amount paid to the tram company should be charged to income account I 22, "Miscellaneous Rent Deductions." The entire receipts for switching the cars of other companies should be credited to revenue account No. 9, "Switching Revenue."

CASE 602.

Query. A switching tariff covering service at a certain point names a certain rate and says:

"The rates named in this tariff apply only when the cars used are owned by the road effecting final delivery. When cars of other ownership are used an additional charge of \$1.25 per car will be made to cover the per diem."

Should the additional charge covering per diem be credited to "Hire of Equipment" or should the entire switching rate, including the \$1.25 be credited to "Switching Revenue" account?

Answer. If a tariff names certain rates for switching service the entire charge based upon such rates should be treated as switching revenue.

CASE 603.

Query. To what account should be charged the cost of electric lighting machinery installed at a terminal station for the purpose of furnishing electric light for passenger cars?

Answer. Such cost should be charged to additions and betterments account A 21, "Station Buildings and Fixtures."

CASE 604.

Query. To what account should be charged the expense of advertising for bids for grading, construction of bridges, etc.?

Answer. It should be treated as a part of the cost of the work to be done and charged accordingly.

CASE 605.

Query. For two years past, pending the court's decision, a carrier has been carrying to a suspense account the proportion of passenger fares collected in excess of the rates prescribed by the State Commission. It has now been decided that the excess collected may be retained. To what account should it be credited?

Answer. It should be apportioned to revenue account No. 2, "Passenger Revenue," and profit and loss account PL 3, "Delayed Income Credits," as may be appropriate.

CASE 606.

Query. To what account should be charged the expense of cleaning the exterior of cars used in outside operations?

Answer. The expense of cleaning the exterior of dining cars should be charged to account No. 9, "Other Expenses," under Dining and Special Car Service in the Classification for Outside Operations. The cost of exterior cleaning of all other cars should be charged to account No. 89, "Train Supplies and Expenses," in the Classification of Operating Expenses.

CASE 607.

Query. To what account should be charged amounts paid to notaries for taking affidavits of weighmaster, agent, or other employee of a railroad company, as to the weight, number, or condition of articles transported, upon which a claim of the shipper has arisen, whether such claim be for overcharge or for loss and damage?

Answer. Fees paid notaries for taking affidavits in loss and damage claims should be charged to expense account No. 99, "Loss and Damage—Freight." In overcharge claims the amount should be charged to expense account No. 109, "Law Expenses."

CASE 608.

Query. A carload of lumber was, for convenience of the operating department, placed for unloading before the arrival of the waybill. When the freight bill was presented, consignee promised to pay the following day, but failed to do so. In the meantime the lumber was removed. The firm became insolvent, and the agent has not been able to collect. "Freight Revenue" received credit for the carrier's proportion, and connecting lines were settled with at the time shipment moved, which was in a previous fiscal year. What account should be charged with the loss?

Answer. The loss, having occurred through the fault of an employee in the transportation department, should be charged to expense account No. 98, "Other Expenses." (See Case 379.)

CASE 609.

Query. To what account should be charged premiums paid for indemnity insurance against injuries to employees engaged in the construction of a new line?

Answer. Such premiums should be charged to road and equipment account No. 48, "Other Expenditures."

CASE 610.

(Answer not finally approved. See Accounting Series Circular No. 12e.)

CASE 611.

Query. A carrier is fitting out a number of flat cars with cane racks, which will put the cars in shape to handle sugar cane from the plantations to the factories. While these are, in a way, additions to the cars, they are not permanent and will be removed as soon as the season is over. How should the expense be charged?

Answer. The expense should be charged to account No. 89, "Train Supplies and Expenses."

CASE 612.

Query. A bill of lading was issued by an agent against a fraudulent compress receipt for cotton, and the carrier was compelled to reimburse the innocent holder of the bill of lading. To what account should the payment be charged?

Answer. Such payments should be charged to expense account No. 98, "Other Expenses." (See Case 579.)

CASE 613.

Query. Through an error of a clerk in the freight claim office a duplicate refund was made of an overcharge, and the amount could not be recovered. To what account should the duplicate refund be charged?

Answer. The duplicate refund should be charged to expense account No. 114, "Other Expenses."

CASE 614.

Query. Through error, an agent delivered a shipment, against which there were demurrage and transportation charges, to an insolvent consignee and collection could not be made. To what account should the loss be charged?

Answer. The loss, having occurred through the fault of an employee in the transportation department, should be charged to expense account No. 98, "Other Expenses."

CASE 615.

Query. A passenger is misinformed by a ticket agent as to train connections at a distant point, and is reimbursed for expenses and fare paid. What account should be charged?

Answer. Charge both fare and expenses to expense account No. 98 "Other expenses."

CASE 616.

Query. To what account should be charged witness fees in a suit for damages growing out of the false arrest of a person suspected of setting fire to a shop building of the company; also, to what account should be charged the judgment, if any, secured in such a suit?

Answer. Both fees and judgment should be charged to expense account No. 21, "Other Expenses."

CASE 617.

Query. This company employs a firm of attorneys in Washington to represent it in matters with the Government. They are not under the direction of our legal department, but answer correspondence from any of our departments on any matter. For instance, this department is advised relative to railway-mail pay, and the traffic department is informed as to the filing of tariffs, and of rulings by the Interstate Commerce Commission, etc. To what account should the expense be charged?

Answer. The expense should be charged to expense account No. 109, "Law Expenses."

CASE 618.

Query. In the last fiscal year a wreck on our road destroyed a number of leased cars. To replace these cars we set up a fund by charging operating expenses with an estimated amount, which now proves to be in excess of the amount required. Are we at liberty to dispose of this excess through Profit and Loss or through current Operating Expenses?

Answer. If the amount you have charged on an estimate exceeds the cost, the excess should be credited to Operating Expenses.

CASE 619.

Query. To what account should be charged the salaries of and the cost of supplies for telegraph operators in the offices of traffic officers or in outside agencies?

Answer. They should be included in Traffic Expenses in account No. 53, "Superintendence," and account No. 54, "Outside Agencies," respectively.

CASE 620.

Query. At the terminal of a branch line under construction a carrier is establishing a water station for locomotives. It contracted for an artesian well, but before accepting same had the water analyzed. To what account shall we charge the cost of the analysis?

Answer. Such cost should be charged to road and equipment account No. 22, "Water Stations."

CASE 621.

Query. Recently a carrier's shops and some equipment were burned. After deducting insurance there remains a loss on both shops and equipment. Is it proper to charge the loss on the building to Profit and Loss? It is understood, of course, that the loss on the equipment should be taken care of in operating expenses.

Answer. If it is intended to replace the burned property the cost of replacing in kind, less insurance recovered, should be charged to the appropriate operating expense accounts. If the shops are not to be rebuilt, the cost should be credited to Additions and Betterments, and charged, less insurance recovered, to profit and loss account PL 13, "Loss on Retired Road and Equipment." The equipment should be handled in accordance with the provisions in additions and betterments account A 33, "Equipment."

CASE 622.

Query. To what account should be charged notarial fees paid in connection with acknowledgments of various reports required by National and State Governments?

Answer. Such fees should be charged to expense account No. 109, "Law Expenses."

CASE 623.

Query. To what account should be charged penalties paid for violation of the 28-hour stock law?

Answer. They should be charged to expense account No. 98, "Other Expenses."

CASE 624.

Query. A carrier frequently has charges for cleaning ice houses. Should the expense be charged to "Train Supplies and Expenses," or should it be divided between that account and "Station Employees"?

Answer. The cost of cleaning ice houses should be added to the cost of the ice and apportioned to the accounts to which the ice is charged.

CASE 625.

Query. In a number of instances a carrier rents rooms over passenger stations to employees, the rent being credited to account No. 18, "Rents of Buildings and Other Property." To what account should the expenses for these rooms, such as water rent, painting, paperhanging, etc., be charged?

Answer. Such expenses should be charged to the accounts to which are charged like costs for other parts of the building. If the costs can be separated, treat both rents and expenses under income account I 9, "Miscellaneous Rent Income." (See Case 326.)

CASE 626.

Query. To what account should be charged loss and damage payments on account of milk shipments on passenger trains?

Answer. Such payments should be charged to expense account No. 99, "Loss and Damage—Freight."

CASE 627.

Query. What account should be charged with the value of company material lost while in transit in a baggage car hauled in a passenger train?

Answer. The value of such material lost in transit should be charged to expense account No. 99, "Loss and Damage—Freight."

CASE 628.

Query. To what account should be charged: (1) Additional compensation allowed a station agent for carrying mail between the station and the post office? (2) Compensation allowed on pay roll to a mail carrier not otherwise employed in the service of the carrier? (3) Voucher payments for carrying mail in favor of an individual or a transfer company?

Answer. If an employee having other duties is paid additional compensation for carrying the mail, or, if some one is specially employed for that purpose and the service constitutes the major portion of his employment, the amount paid should be charged to expense account No. 63, "Station Employees." If the mail is transferred under contract, as by a transfer company or by an individual not considered an employee, the payment should be charged to expense account No. 66, "Station Supplies and Expenses."

CASE 629.

Query. When two companies own a half interest each in a building operated jointly, how should payments of insurance premium be treated (a) when the operating company pays the whole premium and bills on the other for its share; (b) when each company takes out its own insurance and makes direct payment of its premium to the insurance company?

Answer. In case jointly owned buildings are operated by one carrier for joint benefit, payments made by the operating carrier for insurance should be charged to expense account No. 110, "Insurance," by that carrier and the joint facility accounts, "General Administration Joint Tracks, Yards, and Terminals" credited and debited by the respective carriers. When each company pays its own insurance, each should debit the amount of its own premium to expense account No. 110, "Insurance."

CASE 630.

Query. A carrier company leases an engine and a number of cars from a mill company which owns a tramroad but is not a common carrier. It has also trackage rights on the tramroad at a certain price per train-mile. To what accounts should the payments be charged?

Answer. Payments to a mill company (not a common carrier) for use of its locomotive and cars should be charged to "Hire of Equipment." The payment for use of the track should be charged in proper proportion to Operating Expenses (Maintenance) and income account I 22, "Miscellaneous Rent Deductions," if the carrier has exclusive use of the tracks. In case the carrier has only the joint use of the tracks, the joint-facility operating expense and income accounts should be used

CASE 631.

Query. A special train is run from A to B for the movement of a theatrical company and their paraphernalia, requiring the use of 15 cars, for which a charge is made per capita, allowing 1 car for each 20 passengers and a rate per mile for each extra car. How should the amounts received on the per capita basis and for the extra cars be distributed?

Answer. The amount received on per capita basis should be credited to revenue account No. 2, "Passenger Revenue," and the passenger statistics treated accordingly; the amount received for the extra cars should be credited to account No. 8, "Other Passenger-Train Revenue."

CASE 632.

Query. Railway A rents a portion of its tracks to Railway C at a flat rate per annum, the amount of which is credited to rent, maintenance,

and operation. This track is a part of that operated jointly by A and Railway B. Under the contract for the joint operation, B is entitled to its proportion of the amounts received by A from C. What is the proper distribution of the amount paid by A to B as its share of the amounts collected from C?

Answer. The amount paid by C to A should be divided into two parts: one representing maintenance and operation; the other, rent. The first of these two parts should be credited by A to its appropriate joint facility operating expense accounts and the other to the joint facility rent account under Income. The proportion of these credits which is allowed in settlement with B should be deducted from B's proportion of the charge for rent, maintenance, and operation of the whole joint facility, and the remainder, which is collected from B, should be credited by A to its appropriate joint-facility operating expense accounts and joint facility rent account under Income.

CASE 633.

Query. Two Pullman tourist cars, while in service in a carrier's train, were destroyed in a wreck. The carrier derives revenue only from the transportation of the passengers, the owning company receiving the revenues from the sleeping-car accommodations. The carrier admits responsibility for the loss and has settled for the cars. No insurance was carried. To what account should it charge the loss?

Answer. The loss should be charged to expense account No. 31, "Passenger-Train Cars—Repairs."

CASE 634.

Query. To what account should revenue earned by a carrier for weighing cars for another company be credited?

Answer. When the operation involves switching service the revenue should be included in revenue account No. 11, "Miscellaneous Transportation Revenue;" otherwise it should be included in revenue account No. 19, "Miscellaneous."

CASE 635.

Query. The connecting line between the tracks of the A company and those of the B company is owned one-half by each company—each company owning the one-half of the track next to its own line. The two companies alternate in performing the joint switching over this track in periods of six months, rendering bills alternately for proportions of service performed. How should the payments be charged and credited?

Answer. It is assumed that the bills for the service performed cover the cost of engine and train or of yard service. The amounts of such charges should be included in the appropriate primary operating expense accounts other than joint-facility accounts. If charges for hire of equipment are included in these bills, such charges should be included by both companies in "Hire of Equipment" in Income.

CASE 636.

Query. A carrier has a joint-facility arrangement with another carrier which does not report to the Commission. Should it handle the amounts received for the use of these facilities through its joint-facility accounts?

Answer. It should. Amounts received from a carrier, whether it reports to the Commission or not, for the joint use of property operated by a carrier reporting to the Commission should be divided by the operating carrier into two parts. One, representing the cost of maintenance and operation, should be credited by the operating carrier to the joint-facility expense accounts affected; the other should be credited to income account I 8, "Joint Facility Rent Income." In case the facilities used jointly are of minor importance, and the amounts received for the use of them are small, the credits may be to revenue account No. 18, "Rents of Buildings and Other Property."

CASE 637.

(Answer not finally approved. See Accounting Series Circular No. 12e.)

CASE 638.

Query. To what account should be charged the rent of a building which is used exclusively for the storage of unclaimed and damaged freight?

Answer. Such expense should be charged to account No. 99, "Loss and Damage—Freight."

CASE 639.

Query. A regular switch engine is taken to the shops, a number of miles distant, for repairs and is relieved by a switch engine from the shops. To what account shall be charged the expense of handling the relief engine from the shops to the point where it is to be put in service? How should the mileage of the engines be classified?

Answer. The expenses should be charged to the proper yard accounts under Transportation Expenses. The mileage of the relief engine, up to the point where it enters revenue service, should be classified as "Nonrevenue Service Locomotive-Miles," and if the regular engine moves under its own steam to the shops, its mileage should be similarly classified.

CASE 640.

Query. What is the correct classification of mileage of cabooses deadheaded in passenger trains and of baggage cars deadheaded in freight trains?

Answer. Mileage made by cabooses deadheaded in passenger trains should be included in "Freight Car-Miles—Caboose."

Mileage made by baggage cars deadheaded in freight trains should be included in "Passenger Car-Miles—Other Passenger-Train Cars."

CASE 641.

Query. A and B are 10 miles apart, and the freight destined to B passes through A. The freight trains are divided in the yard at A, and through freight destined to B is taken over by a transfer crew. The line between A and B is a part of our main line. Should the service of the transfer crew between these points be considered road service or yard service?

Answer. It should be considered road service.

CASE 642.

Query. How should we classify mileage made by a train in hauling bad-order cars to shops for repairs? Also, the mileage of a train hauling fire engines and apparatus, for which service no charge was made?

Answer. The mileage made in hauling bad-order cars should be classified as "Nonrevenue Service Train-Miles," as should also the mileage made in hauling fire engines and apparatus under the conditions stated.

CASE 643.

(Omitted.)

CASE 644.

Query. A private car is handled at a flat rate, the passengers paying regular fare in addition. To what should the amount received upon the flat-rate basis be credited?

Answer. It should be credited to revenue account No. 8, "Other Passenger-Train Revenue."

CASE 645.

Query. A passenger car containing passengers ticketed to a point on a connecting line is transferred at the junction by a terminal company which renders a bill for the service against the line ticketing the passengers. To what account should the amount of the bill be charged?

Answer. If a special collection is made for the transfer of the car, the transfer company's bill should be charged to the account to which the special collection is credited. If a special collection is not made, the transfer company's bill should be charged to account No. 2, "Passenger Revenue."

CASE 646.

Query. Patrons on a carrier's line frequently charter a special coach for a lump sum, the coach being handled in regular passenger trains. To what account should the revenue be credited? How should the train mileage and car mileage be classified?

Answer. If the compensation covers only the exclusive use of the car, and does not include the fares of passengers carried therein, it should be credited to revenue account No. 8, "Other Passenger-Train Revenue." If the compensation includes the transportation of passengers at an agreed rate per capita, subject to a minimum amount, such part as represents fares of passengers actually carried should be credited to revenue account No. 2, "Passenger Revenue," and the remainder to revenue account No. 8, "Other Passenger-Train Revenue."

The mileage of the train should be reported as "Passenger Train-Miles" and the mileage of the cars as "Passenger Car-Miles."

INDEX TO CASES BY ACCOUNTS.

FORM OF GENERAL BALANCE SHEET STATEMENT.

	Case.
B 1-A. Investment to June 30, 1907	566, 593
B 1-B. Investment since June 30, 1907	542, 545
B 2. Securities of proprietary, affiliated, and controlled companies—pledged...	546
B 4. Securities of proprietary, affiliated, and controlled companies—unpledged..	546
B 6. Miscellaneous investments.....	16, 140, 460
B 20. Unextinguished discount on securities... 19, 101, 234, 367, 503, 504, 505, 576, 581, 587	
B 21. Property abandoned, chargeable to operating expenses	565
B 23. Cash and securities in sinking and redemption funds.....	542
B 26. Other deferred debit items.....	545
B 28. Capital stock.....	581
B 31. Funded debt.....	542
B 36. Audited vouchers and wages unpaid.....	541
B 44. Unextinguished premiums on outstanding funded debt.....	576
B 45. Operating reserves.....	155, 211
B 46. Liability on account of provident funds.....	302

CLASSIFICATION OF EXPENDITURES FOR ROAD AND EQUIPMENT.

Road and equipment accounts in general.....	1,
3, 6, 9, 18, 38, 115, 125, 234, 298, 314, 316, 317, 352, 354, 430, 435, 436,	
437, 438, 463, 476, 478, 480, 501, 508, 556, 561, 590, 595, 600, 604	
Road:	
1. Engineering.....	100, 578
2. Right of way and station grounds.....	583
4. Grading.....	430, 499, 506
6. Bridges, trestles, and culverts.....	266, 315, 318, 335, 506
7. Ties.....	102
10. Track fastenings and other material.....	385
11. Ballast.....	467
12. Track laying and surfacing.....	385, 467
13. Roadway tools.....	318, 480, 500, 508, 600
15. Crossings and signs.....	102
16. Interlocking and other signal apparatus.....	42, 531
18. Station buildings and fixtures.....	236, 427, 529
22. Water stations.....	501, 620
26. Dock and wharf property.....	431
31. Miscellaneous structures.....	427
33. Rent of equipment.....	152, 266
34. Repairs of equipment.....	235
35. Earnings and operating expenses during construction.....	415
35½. Injuries to persons.....	34
36. Cost of road purchased.....	519

Equipment:	Case.
41. Work equipment.....	318,480,500
General expenditures:	
47. Interest and commissions.....	101,474,505
48. Other expenditures.....	428,594,609

CLASSIFICATION OF EXPENDITURES FOR ADDITIONS AND BETTERMENTS.

Additions and betterments accounts in general.....	1, 3, 6, 9, 18, 23, 28, 38, 125, 132, 151, 235, 298, 314, 316, 317, 354, 373, 435, 436, 438, 463, 476, 478, 480, 483, 508, 523, 539, 556, 559, 560, 562, 565, 574, 575, 604, 621
A . Real estate	460
A 5. Grade reductions and changes of line	499
A 7. Bridges, trestles, and culverts.....	335
A 8. Increased weight of rail.....	145,374,375
A 10. Track fastenings and appurtenances.....	385
A 11. Ballast	148,152,297,434,483
A 13. Sidings and spur tracks	157,377,539,560,561
A 14. Terminal yards.....	377
A 17. Elimination of grade crossings.....	376
A 18. Interlocking apparatus	42,531
A 19. Block and other signal apparatus.....	42,531
A 21. Station buildings and fixtures.....	236,499,554,603
A 22. Roadway machinery and tools.....	480,500,508
A 32. Reconstruction of road purchased	569
A 33. Equipment.....	22,147,169,176,351, 352,353,354,420,421,462,480,481,500,515,555,567,569,575,582,621
A 35. Other additions and betterments	150,352,518

CLASSIFICATION OF OPERATING REVENUES.

Operating revenue accounts in general.....	1, 2, 3, 4, 24, 80, 115, 211, 214, 215, 487, 577, 645
.1. Freight revenue.....	2, 81, 83, 88, 92, 94, 212, 213, 218, 219, 220, 225, 241, 265, 276, 279, 319, 416, 446, 469, 472
2. Passenger revenue.....	84, 85, 216, 221, 222, 241, 320, 372, 442, 507, 527, 528, 605, 631, 645, 646
3. Excess baggage revenue.....	88, 439
4. Parlor and chair car revenue.....	25, 226
6. Express revenue.....	119
7. Milk revenue (on passenger trains).....	83
8. Other passenger-train revenue.....	85, 88, 90, 221, 222, 227, 261, 439, 580, 631, 644, 646
9. Switching revenue.....	2, 91, 130, 131, 191, 192, 206, 218, 220, 225, 228, 259, 260, 265, 416, 440, 522, 601, 602
10. Special service train revenue.....	85, 222, 223, 224, 325, 439, 527
11. Miscellaneous transportation revenue.....	92, 93, 94, 225, 522, 634
14. Storage—freight	233
16. Car service.....	231, 390
18. Rents of buildings and other property.....	97, 119, 233, 288, 293, 326, 327, 488, 495, 513, 625, 636
19. Miscellaneous.....	26, 74, 99, 142, 229, 230, 232, 233, 252, 328, 521, 584, 598, 634
20. Joint facilities revenue—Dr	327, 507
21. Joint facilities revenue—Cr.....	327, 329, 496, 507

CLASSIFICATION OF OPERATING EXPENSES.

Case.

Operating expense accounts in general... 1, 3, 4, 5, 6, 9, 17, 25, 28, 115, 146, 153, 155, 156, 167, 179, 183, 185, 202, 208, 243, 246, 262, 278, 284, 286, 298, 299, 363, 364, 379, 384, 404, 412, 433, 484, 491, 514, 528, 533, 534, 565, 577, 598, 618, 621, 625

Way and structures:

Operating expense accounts in general for maintenance of way and structures. 6, 17, 28, 40, 106, 116, 117, 144, 153, 157, 158, 160, 162, 306, 333, 389, 425, 438, 449, 476, 560, 586, 599, 621, 630

1. Superintendence..... 82, 156, 248, 330, 534
2. Ballast..... 148, 163, 297, 434
3. Ties..... 32, 155, 162, 332, 333, 334
4. Rails..... 32, 162, 332, 334
5. Other track material..... 32
6. Roadway and track..... 41, 403, 443, 460, 467, 475, 514
9. Bridges, trestles, and culverts..... 31, 32, 450, 592
13. Signals and interlocking plants..... 42
14. Telegraph and telephone lines..... 32, 397
16. Buildings, fixtures, and grounds..... 26, 31, 178, 180, 305, 352, 459, 488
18. Roadway tools and supplies..... 318, 459, 480, 500, 508
19. Injuries to persons..... 4, 34, 35, 164, 165, 304, 419, 526, 532
21. Other expenses..... 616
22. Maintaining joint tracks, yards, and other facilities—Dr 46, 74, 116, 117, 120, 121, 159, 160, 161, 215, 247, 263, 268, 272, 273, 278, 308, 327, 394, 409, 410, 414, 441, 491, 495, 535, 539, 630, 632
23. Maintaining joint tracks, yards, and other facilities—Cr..... 46, 74, 116, 117, 120, 121, 159, 160, 161, 215, 247, 263, 268, 272, 273, 278, 293, 308, 327, 394, 409, 410, 414, 441, 491, 495, 535, 539, 632, 636

Equipment:

Operating expense accounts in general for maintenance of equipment..... 112, 174, 179, 356, 569, 582, 621

24. Superintendence..... 82, 248, 330, 534
25. Steam locomotives—repairs..... 54, 73, 353, 391, 393, 399, 413, 483, 535
26. Steam locomotives—renewals..... 147, 175, 426
27. Steam locomotives—depreciation 36, 48, 49, 109, 167, 168, 169, 348, 420, 421, 426, 539, 566, 567, 574, 575, 593
28. Electric locomotives—repairs 54, 353
29. Electric locomotives—renewals 147, 175, 426
30. Electric locomotives—depreciation 36, 48, 49, 109, 167, 168, 169, 348, 420, 421, 426, 566, 567, 574, 575, 593
31. Passenger-train cars—repairs..... 55, 73, 138, 336, 353, 356, 393, 423, 477, 633
32. Passenger-train cars—renewals..... 55, 175, 426
33. Passenger-train cars—depreciation 48, 49, 55, 109, 167, 168, 169, 348, 421, 426, 566, 567, 574, 575, 593
34. Freight-train cars—repairs ... 47, 56, 336, 353, 356, 393, 413, 423, 456, 477, 482, 618
35. Freight-train cars—renewals 175, 421, 426
36. Freight-train cars—depreciation 47, 48, 49, 109, 167, 168, 169, 348, 421, 426, 494, 539, 566, 567, 574, 575, 593
37. Electric equipment of cars—repairs 57, 353
38. Electric equipment of cars—renewals 57, 175, 426
39. Electric equipment of cars—depreciation..... 48, 49, 57, 109, 167, 168, 169, 348, 421, 426, 566, 567, 574, 575, 593

Equipment—Continued.**Case.**

40. Floating equipment—repairs.....	353
41. Floating equipment—renewals.....	175, 426
42. Floating equipment—depreciation	48,
49, 109, 167, 168, 169, 348, 421, 426, 566, 567, 574, 575, 593	
43. Work equipment—repairs	47, 336, 352, 353, 356, 413, 481, 482, 483
44. Work equipment—renewals	175, 426
45. Work equipment—depreciation	47,
48, 49, 109, 167, 168, 169, 348, 421, 426, 566, 567, 574, 575, 593	
46. Shop machinery and tools.....	58, 59, 180, 311
47. Power plant equipment.....	58, 59, 178, 433
48. Injuries to persons.....	4, 34, 35, 165, 419, 526, 532
49. Stationery and printing.....	154
50. Other expenses.....	337
51. Maintaining joint equipment at terminals—Dr	46,
121, 215, 247, 278, 308, 355, 394, 409, 414, 441, 491, 535	
52. Maintaining joint equipment at terminals—Cr	46,
121, 215, 247, 278, 308, 355, 394, 409, 414, 441, 491, 535	

Traffic expenses:

53. Superintendence.....	82, 534, 619
54. Outside agencies.....	619
55. Advertising.....	397, 591
56. Traffic associations.....	244, 271
57. Fast freight lines.....	244, 338
58. Industrial and immigration bureaus.....	244
59. Stationery and printing.....	154, 244

Transportation expenses:

Operating expense accounts in general for conducting transportation.....	4,
17, 28, 69, 71, 72, 116, 117, 135, 160, 179, 180, 189, 190, 191, 192,	
194, 195, 299, 384, 410, 411, 412, 539, 586, 624, 635, 639, 641	
61. Superintendence.....	62, 82, 209, 254, 330, 331, 389, 445, 516, 534
62. Dispatching trains.....	63
63. Station employees.....	26,
64, 65, 66, 131, 193, 196, 197, 199, 209, 251, 267, 341, 387, 472, 517, 628	
64. Weighing and car-service associations.....	301
65. Coal and ore docks.....	66, 135, 487
66. Station supplies and expenses.....	26, 68, 197, 205, 236, 340, 447, 564, 628
69. Yard switch and signal tenders.....	76, 196, 468
70. Yard supplies and expenses.....	76
72. Enginehouse expenses—yard.....	163, 391, 409
73. Fuel for yard locomotives.....	402, 411
74. Water for yard locomotives.....	74, 201, 458
77. Operating joint yards and terminals—Dr	46,
116, 117, 120, 121, 160, 161, 193, 215, 247, 263, 268, 272, 273, 278,	
327, 394, 409, 410, 411, 414, 421, 492, 493, 495, 535, 577, 632	
78. Operating joint yards and terminals—Cr	46, 116,
117, 120, 121, 160, 161, 193, 215, 247, 263, 268, 272, 273, 278, 327,	
359, 360, 394, 409, 410, 411, 414, 491, 492, 493, 495, 535, 577, 632, 636	
80. Road enginemen.....	54, 73
81. Enginehouse expenses—road.....	163, 391, 409
82. Fuel for road locomotives.....	73, 402, 411

Transportation expenses—Continued.

Case.

83. Water for road locomotives.....	74, 201, 458
86. Operating power plants.....	59, 178, 433
89. Train supplies and expenses.....	74, 281, 521, 530, 538, 606, 611, 624
90. Interlockers and block and other signals—operation.....	76, 204
91. Crossing flagmen and gatemen.....	269, 359, 493
93. Clearing wrecks.....	54, 125, 243, 456
94. Telegraph and telephone—operation.....	397
95. Operating floating equipment.....	137, 182, 489
97. Stationery and printing.....	154, 200, 341, 454
98. Other expenses.....	77, 79, 80, 136, 206, 213, 218, 276, 319, 342, 343, 344, 400, 401, 446, 453, 461, 511, 512, 580, 597, 608, 612, 614, 615, 623
99. Loss and damage—freight.....	4, 8, 279, 282, 298, 607, 626, 627, 638
100. Loss and damage—baggage.....	4, 386
101. Damage to property.....	4, 35, 38, 317, 392, 399, 471, 532
102. Damage to stock on right of way.....	4, 35, 396, 532
103. Injuries to persons.....	4, 34, 35, 78, 79, 164, 165, 386, 419, 526, 532
104. Operating joint tracks and facilities—Dr.....	46, 74, 116, 117, 120, 121, 160, 161, 193, 215, 247, 263, 268, 272, 273, 278, 308, 327, 394, 491, 492, 493, 495, 535, 539, 630, 632
105. Operating joint tracks and facilities—Cr.....	46, 74, 116, 117, 120, 121, 160, 161, 193, 215, 247, 263, 268, 272, 273, 278, 308, 327, 360, 394, 491, 492, 493, 495, 535, 539, 632, 636

General expenses:

106. Salaries and expenses of general officers.....	82, 184, 209, 255, 404, 516
107. Salaries and expenses of clerks and attendants.....	82, 516
108. General office supplies and expenses.....	404, 534
109. Law expenses.....	287, 345, 607, 617, 622
110. Insurance.....	29, 31, 181, 182, 525, 526, 629
111. Relief department expenses.....	419
112. Pensions.....	208, 302
113. Stationery and printing.....	154, 576
114. Other expenses.....	207, 313, 346, 347, 448, 501, 613
115. General administration joint tracks, yards, and terminals—Dr.....	46, 121, 160, 161, 215, 247, 263, 268, 278, 308, 327, 394, 409, 414, 491, 495, 535, 629
116. General administration joint tracks, yards, and terminals—Cr.....	46, 121, 160, 161, 215, 247, 263, 268, 278, 308, 327, 394, 409, 414, 491, 495, 535, 629

CLEARING ACCOUNTS.

Shop expenses.....	59, 60, 173, 179, 180, 183, 248, 257, 264, 393, 494, 499
Store expenses.....	61, 181, 184, 185
Studies.....	6
Stationers' expenses.....	154
Power plant expenses.....	177, 178, 180, 490
Gravel pit operations.....	114, 230

CLASSIFICATION OF REVENUES AND EXPENSES FOR OUTSIDE OPERATIONS.

Revenues and expenses accounts in general.....	1, 23, 24, 26, 27, 29, 65, 125
1. Boat lines.....	24, 137, 143, 182, 200
2. Ferry lines.....	137, 182, 200
7. Sleeping-car service.....	55, 138

Outside operations—Continued.

Case.

8. Parlor and chair car service.....	25,55,226
9. Dining and special car service.....	417,444,606
10. Electric light and power plants.....	433,490
16. Hotels and restaurants.....	136,540
19. Cold-storage plants.....	142
Miscellaneous.....	135,470,487,494,584

FORM OF INCOME STATEMENT.

Income statement accounts in general.....	6,10,289,302,365,366
I 5. Railway tax accruals.....	10,16,592
I 6. Income from lease of road.....	408
I 7. Hire of equipment—credit balance.....	52,53,125,130,131,132,195,243, 249,270,282,284,286,368,415,417,473,483,520,522,577,597,602,630,635
I 8. Joint facility rent income.....	10,116,120,160,161,215,247,263,268,272,273, 278,293,371,372,375,414,495,496,531,632,636
I 9. Miscellaneous rent income.....	13,14,16,127,233,280,292,296,326,407,592,625
I 10. Net profit from miscellaneous physical property.....	16
I 15. Income from sinking and other reserve funds.....	525
I 18. Miscellaneous income.....	128,432
I 19. Deductions for lease of other roads.....	408
I 20. Hire of equipment—debit balance. (See "Hire of equipment—credit balance," above.)	
I 21. Joint facility rent deductions.....	10,12,17,116,120,121,160,161,215,247,250, 263,268,273,371,372,375,495,531,535,539,632
I 22. Miscellaneous rent deductions.....	11, 13,17,122,280,306,307,369,370,405,406,407,564,592,601,630
I 23. Miscellaneous tax accruals.....	16
I 24. Net loss on miscellaneous physical property.....	16
I 26. Interest deductions for funded debt.....	474,515,579
I 27. Interest deductions for unfunded debt.....	474
I 28. Amortization of discount on funded debt.....	504
I 30. Miscellaneous deductions.....	589,591

FORM OF PROFIT AND LOSS STATEMENT.

Profit and loss statement accounts in general.....	6,172,302,351,421,424, 435,519,566,567,574,576,582,588,618
PL 3. Delayed income credits.....	514,605
PL 4. Miscellaneous credits.....	380,457,541,585,596
PL 11. Debt discount extinguished through surplus.....	504
PL 13. Loss on retired road and equipment.....	621
PL 14. Delayed income debits.....	379,423,589
PL 15. Miscellaneous debits.....	398,524

CLASSIFICATION OF LOCOMOTIVE-MILES, CAR-MILES, AND TRAIN-MILES.

Accounts in general.....	103,104,105,135,195,382,383,418,502,577
Locomotive-miles.....	237,239,381
Revenue service.....	69
Freight locomotive-miles.....	70
Passenger locomotive-miles.....	70
Special locomotive-miles.....	224
Switching locomotive-miles.....	70,239,240
Nonrevenue service locomotive-miles.....	639,642

Locomotive miles, etc.—Continued.

	Case.
Car-miles.....	237, 238, 241, 242, 418
Revenue service.....	69
Freight car-miles.....	69
Caboose car-miles.....	640
Passenger car-miles.....	452, 646
Other passenger-train car-miles.....	640
Special car-miles.....	224
Nonrevenue service car-miles.....	642
Train-miles.....	69
Revenue service train-miles.....	69
Freight train-miles.....	241
Passenger train-miles.....	221, 452, 646
Special train-miles.....	224
Nonrevenue service train-miles.....	642

46337°—12—11

INDEX TO CASES BY TOPICS.

	Case.
Abandoned property, treatment of, in accounts.....	565
Abrogation of contract, bonus received for.....	380
Accident, amounts billed against tenant company responsible for damages due to..	364
amounts paid for loss or damage to personal effects, of passengers in...	386
wages of employees attending investigations of.....	445
Accounting matters, disposition of, prior to receipt of formal order of Commission..	1
Accounts, ruling as to setting up new primary.....	158
to be written up monthly.....	3
Additions and betterments, accounting for excess cost of renewing gravel ballast	
with rock ballast under.....	148
accounting for increased weight of rail under.....	145
accounting for sidings and spur tracks, when constructed, moved, or abandoned under.....	157
accounting for temporary sidings and spur tracks, classified as.....	500
accounts, credits to, in connection with fire loss.....	621
accounts for, closing of, into property accounts..	18, 545, 556
accounts for, credits permissibly made to.....	176, 621
damages caused in connection with.....	38
equipment expenditure, classifiable as.....	22, 147, 354, 462, 555
equipment used in work upon, items incident to....	132,
152, 235, 483, 550	
expenditure for, borne partly by an industry.....	523
expenditure for, borne partly or wholly by tenant lines.....	375, 531
land acquired, expense connected with, as related to.	376, 435
machinery and tools, classifiable as.....	236, 480, 603
material used for, freight charges upon.....	476, 559
monthly charges to, during construction.....	565
office furniture, classifiable as.....	518
roadbed construction chargeable as.....	438, 499
salaries and expenses of officers, apportionable to...	426
security issues connected with, discount on.....	19, 505
store and purchasing expenses, classifiable as.....	373
structural property, classifiable as....	28, 150, 335, 352, 490, 554
to property used in outside operations.....	23
to road operated for benefit of mining work.....	151
track construction, classifiable as, items incident to....	145,
148, 152, 157, 374, 375, 385, 434, 483, 561	
tracks of temporary character, as related to....	157, 539, 560
(See also Construction).	
Adjusters, claim, salaries and expenses of.....	532
Adjustment of periodical estimates to actual annual expenditure.....	425
in current accounts in connection with accounting error of previous year.....	582
in freight overcharge reserve accounts.....	211

	Case.
Adjustment in renewal accounts and charges that should be made thereto.....	162
in reserve accounts.....	4
in reserve accounts for ties, rails, bridges, etc., to basis of actual ex- penditures.....	32
in tie and rail accounts.....	332, 333, 334
of depreciation on equipment accruing prior to July 1, 1907.....	574
of differences due to insufficient charges for depreciation.....	566
of equipment accounts and equipment replacement accounts.....	575
of equipment replacement account in harmony with accounting for Equipment in additions and betterments classification effective July 1, 1910.....	567
of expenses, basis for, in the renewal of rails and ties.....	425
of ledger accounts to inventory values.....	172
of material accounts to cover obsolete material taken out of stock and sold as scrap.....	153
of material accounts to inventory basis.....	9
reserve account to provide for, in accounts covering "Injuries to per- sons," "Stationery and printing," and "Loss and damage".....	155
Advertisements, cost of removing, from cars.....	281
Advertising department, expense of stationery and printing for.....	244
rent of offices for use of.....	397
Advertising for bids in connection with construction.....	604
Affidavits concerning shippers' claims, notarial fees in connection with.....	607
Agents, persons acting as, commissions paid in lieu of salary to.....	64
special, with police powers, in charge of yard watchmen, salaries of.....	62
claims against, how disposed of when records are destroyed.....	398
compensation of, for carrying mail between station and post office.....	628
errors of, in billing freight, claims and expense due to.....	344, 511, 512
outside, stationery and printing used by.....	244
soliciting, for fast freight lines, expenses of.....	338
station, acting also as telegraph operators, salary of.....	251
Air brake instruction car, payment for use of.....	254
Allowance as specified in introductory letter of classification for outside opera- tions.....	24
Analysis of water before acceptance of water station.....	620
Appliances, defective, on cars, judgment arising out of.....	337
Apportionment of expenses of offices occupied by several departments.....	534
of expenses of joint operation of yard and roundhouse.....	409
of expenses of locomotives between road and yard service.....	189, 190
of payments for trackage in accounts of lessee.....	120
of payments for use of locomotive and crew.....	195
of salaries of general manager and general superintendent super- vising several departments.....	330, 484
of shop expenses, with reference to M. C. B. rules.....	257
of wages of enginemen between road and yard service.....	189, 190
Artesian well at water station, test of water in.....	620
Ash pits, cost of removing cinders from.....	163
Attorneys employed to represent carrier at Washington, compensation of.....	617
Attorneys' fees, delayed in payment beyond year when contracted.....	379

B.

	Case.
Bad-order cars, mileage of train hauling.....	642
Baggage and personal effects, lost or damaged in wrecks or accidents.....	386
Baggage cars, demurrage on, used by theatrical parties.....	390
deadheaded in freight trains, mileage of	640
flat rate for use of, by theatrical parties.....	439
revenue from matter carried in	88
revenue from switching, to connecting lines.....	440
Baggage checks, cost of printing.....	454
Baggage, storage of, expense in connection with.....	341
transfer of, between depots, explanation of text relative to.....	320
Balance sheet manner of stating stock ownership.....	546
record of capital stock issued without consideration.....	581
record of county scrip bought below face value.....	596
relation to general ledger accounts.....	545
statement of equipment purchased under equipment trust plan...	542
statement of unclaimed wages.....	541
Ballast, additional cost of, on roads not properly completed.....	438
additional, made necessary by use of heavier equipment.....	297
clearing account for expenses of removing gravel.....	114
cost of reballasting track with higher grade of.....	434
dirt used for, instead of stone or gravel.....	467
hire of equipment for first delivery of.....	152, 483
loading of cinders at ash pits as related to.....	163
operations at a gravel pit for.....	114
renewal of gravel with rock, excess cost of.....	148
Ballast cars, hay purchased to stop leaks in.....	449
in commercial service, repairs to.....	47, 482
rent of, used in first delivery of ballast work.....	152
Bank deposits, interest on.....	365, 366
Barge lines, accounts proper for operation of.....	143
Bill of lading issued against fraudulent compress receipt, reimbursement to holder of.....	612
Bills, delayed, for proportion of expense of joint facility operation.....	247
Boats, damage to, in outside operation.....	470
tug and barge, to be treated as outside operations.....	143
loading, unloading, and trimming of, in the operation of docks.....	487
towing of, expense incident to	212
car ferry used by rail line in lieu of bridges.....	489
launch used for inspection of bridges and movement of officers.....	389
Bonded freight, error in delivery of, fines imposed on account of.....	343
Bonding rails, cost of, in interlockers and signal systems.....	42
Bonds, discount on, issued for purposes of construction.....	19, 101
issue of, legal expense and engraving in connection with.....	576
premium paid at redemption of.....	576
Bonus on equipment bought under car trust plan.....	367
received for abrogation of contract.....	380
Brasses, car, expense of removal, to prevent theft.....	336
Bridge company accounting with lessee railway, method of.....	592
Bridges, construction of, advertising for bids for.....	604
construction of, rent of pile driver used in.....	266
construction of, moving line of another railroad in connection with.....	315

	Case.
Bridges, overhead, constructed as consideration for an exchange of land.....	378
inspection of, steam launch used in connection with.....	389
renewals of, treatment of original cost in connection with.....	335
rent paid for use of.....	17
reserves for, creation and adjustment of.....	32
temporary, used during repair of permanent structure.....	450
drill and outfit used in connection with construction of.....	318
Broker's commissions paid in connection with construction.....	594
Building damaged during construction of line in previous year, payment on account of.....	583
destroyed by fire, accounting for value of.....	621
jointly owned and operated, insurance premium on.....	629
leased for storage of unclaimed and damaged freight, rent paid for.....	638
rented in part to employees, revenues and expenses connected with....	625
Buildings, rented in part to outside parties, maintenance and operation of.....	326
Bunker for transferring coal and ore, initial cost of.....	499
Bureau, mileage ticket, expenses of.....	271

C.

Cabooses deadheaded in passenger trains, mileage of.....	640
Cane racks fitted to flat cars for sugar-cane season.....	611
Capital stock issued without consideration, balance sheet record of.....	581
Car accountant in accounting and transportation departments, salary of.....	516
cleaning performed by one carrier for another.....	410, 535
cleaning on equipment used for outside operations.....	606
inspection, expenses incident to.....	56, 477
switching of cars not passing.....	206
seals, cost of.....	340
supplies furnished under joint facility arrangements.....	411
Car mileage accounts, proper number of.....	242
of baggage cars deadheaded in freight trains.....	640
of cabooses deadheaded in passenger trains.....	640
of special coach handled in regular passenger train.....	646
of car movement on account of congested yard.....	382
of cars in picnic, chartered, or theatrical trains.....	224
of nonrevenue cars in revenue trains.....	238
of cars carrying company's material in revenue train.....	418
of circus cars moved in freight trains.....	241
of cars in train moved over tracks of another carrier.....	408, 502
of trailer, subaccount for.....	237
of combined passenger and baggage car carrying freight.....	452
Car service, revenue accounting on basis of accruals.....	231
(See also Demurrage).	
Car trust, extra payment on new equipment, in connection with.....	367
depreciation on equipment purchased under.....	48
installments on the purchase of equipment under.....	354
principal and interest payments on equipment purchased under.....	515
Caretakers of live stock, perishable freight or private cars hauled as freight, fares collected from.....	442
Carrier not reporting to the Commission, method of handling accounts with.....	636
Cars, advertisements on, cost of removing.....	281

	Case.
Cars, air-brake instruction, payment for use of.....	254
disposed of after construction is completed.....	430
bad order, mileage of train hauling.....	642
baggage, loss of company's material carried in.....	627
ballast, cost of hay for stopping leaks in.....	449
ballast, rent of, used in first delivery of ballast.....	152
cane racks fitted upon, for sugar-cane season.....	611
demurrage on baggage, used by theatrical parties.....	390
depreciation on, for period of less than one month.....	40
destroyed, proper accounting for.....	176, 421, 456
detained under penalty rate, treatment of per diem charge on.....	473
electrically propelled, repairs to, covered in certain accounts.....	57
empty, switching, incidental to loaded movement.....	81, 265
empty, switching of, not in connection with loaded movement.....	461
express, switching revenue from handling.....	260
fitting of, with tanks to transport gas for lighting coaches.....	481
freight, not used in operating a road, repairs to.....	235
gasoline motor, classification of.....	465
gasoline motor, expense of operation of.....	73
gondola freight, rebuilding and improving.....	555
hand, purchased during construction, disposal of, on completion of work....	500
haul of passenger, payment under guaranty of minimum to another carrier for.....	580
in work-train service, repairs of commercial.....	413
leased, destroyed in wreck, disposal of excess in replacement fund for.....	618
leased from mill company, payments for use of.....	630
loaned to contractor on construction work, charges for.....	53
private, revenue from flat rate charge on.....	644
private, switching revenue derived from.....	259
Pullman, destroyed by wreck, payment in settlement for.....	633
purchased during construction and diverted before delivery.....	415
purchase of, interest on deferred payments for.....	579
purchase of, under car trust plan, extra cost connected with.....	367
retirement of, entries in replacement account on.....	169
special, handled in regular passenger trains, revenue from.....	646
switching of, interdepartmental charges for.....	586
switching of, receipts from other carriers for.....	601
transfer of, at junction, payment to terminal company for.....	645
velocipede, for use of station agents and roadway departments.....	508
weighing of, for another company, revenue earned by.....	634
work, in commercial service, repairs to.....	47
Casualties in connection with joint operations.....	491
Chartered coach handled in regular train, revenue and mileage of.....	646
theatrical train, revenue derived from.....	527, 631
trains, disposition of revenues from.....	85, 221, 222, 227
trains, disposition of sum received as guaranty for.....	90, 222, 227
Chautauqua, contribution to guaranty fund for protection of, against loss.....	591
Checks, expense of cashing.....	207
pay, stolen and cashed.....	347
Cinders, disposition of receipts from sale of.....	232
labor loading, at ash pits.....	163

	Case.
Circus cars, movement of, in regular train for a lump sum, mileage of and revenue from.....	241
trains, revenue derived from handling special, chartered or.....	223
Claims accounts, overcharges less than \$1 handled through.....	469
adjusters, salaries and expenses of	532
against agents, disposition of, when records are destroyed by fire	398
damage, for injury to property during construction of line in a previous year.....	583
damage, where a road carries its own insurance.....	419
department, rent of offices for use of.....	35
due to errors in billing and routing.....	213,344
judgments for, distribution of, over extended periods.....	5
loss and damage, in connection with milk shipments.....	626
loss and damage, notarial fees in connection with affidavits concerning...	607
on account of damages or injuries to persons, delayed payments of.....	424
overcharge, notarial fees in connection with affidavits concerning.....	607
overcharge, treatment of reserves to cover.....	211
personal injury, resulting from defective highway.....	304
reserves to cover, and disposition of balances in reserves.....	4
settlement of, for loss or damage of personal effects in wrecks.....	386
Cleaning cars when performed by one carrier for another.....	410,535
exterior of dining and other cars used in outside operations.....	606
ice houses, accounting in connection with.....	624
yards, cost of, in connection with car cleaning.....	41
Clearing account for ballast, sale of gravel, handled through.....	230
for amounts paid for loading and unloading coal at docks.....	455
for power house operations.....	178,180
in connection with shop expenses.....	173
for store expenses, use of, for pay and expenses of employees engaged in handling stationery supplies.....	154
for shop expenses apportionable between two carriers.....	60
for shop expenses, basis of distribution for.....	183
shop expenses, distribution of labor in connection with.....	179
shop expenses, explanation of terms general foremen and shop foremen in connection with.....	248,264
shop expenses in connection with the operation of joint shop...	393
store expenses, balances in.....	61
store expenses, use of, in distribution of storehouse and purchasing expense.....	184,185
to cover operation of a gravel pit in connection with removing ballast.....	114
to provide for electric power used in shops.....	59
Clearing house for freight car equipment, proportion of expenses for.....	301
Coaches and engine delivered to borrowing carrier, expenses of.....	522
carrying freight in baggage compartment, classification of mileage of.....	452
chartered for lump sum and handled in regular passenger train, revenue and mileage of.....	646
Coal and ore bunkers for transferring freight.....	499
and ore docks, operation of.....	66,487
carried as fuel for locomotives, profit from sale of.....	584
dumping, revenue from.....	233
loading and unloading at docks, clearing account for.....	455

	Case.
Coal handling at fuel stations.....	402
for station use, cost of unloading.....	447
supplied locomotives at fuel stations jointly operated.....	411
trestles, rent of.....	233
Cold storage plants, outside operations, accounts for.....	142
Collector of customs, penalty imposed by.....	343
Commission, securities given as, discount on.....	234
amounts received as, for collecting premiums on insurance policies	
from employees.....	99
paid agents in lieu of salary.....	64,387
to brokers, paid in connection with construction.....	594
Commissioner, land and tax, salary of.....	255
Company material, mileage of cars in revenue trains moving.....	418
freight charges on.....	441,476
loss and damage on.....	8
lost in transit, accounting for.....	627
percentages added to, in joint facility bills.....	441
sold, profits derived from.....	584,598
Concrete mixers for use in construction work.....	500
Construction, advertising for bids in connection with.....	604
amounts paid for damage caused by water overflows during..	38,314,317
amounts paid for stock killed during.....	314
and operating accounts for newly constructed road.....	438
bonds issued for, discount on.....	19,101
classification of cost of, for extension of main line.....	595
temporary tracks used during.....	316
temporary trestling used in making fills during.....	506
track scales and stock pens built during.....	427
damage to property during, delayed payments for.....	583
equipment for, rented to contractor.....	53
expenditures incidental to materials and supplies for.....	594
moving tracks and telegraph lines of another carrier during.....	315
hand cars and push cars used in, and used later on completed road.	600
indemnity insurance premiums paid in connection with.....	609
judgment involving charge related to closed accounts of.....	590
of bridges, calyx drill used on.....	318
of bridges, rent of pile drivers used on.....	266
of docks and wharves, rent of tidelands for.....	431
of interlocking plants and dismantling of same.....	524
of sidings and spur tracks, cost of.....	561
of temporary tracks, expense of.....	157,158,539
of temporary water stations.....	501
of walls, water lines, and appliances for fire protection.....	28
of water station, expenditures connected with.....	620
salaries and expenses of engineers engaged in inspection of.....	519
salaries and expenses of timekeepers engaged on.....	478
salaries of operators protecting work trains engaged in.....	146
sale of equipment purchased during.....	430
subway, temporary track support incident to.....	599
surveys of line preliminary to.....	578
guard rails on main-line curves, as related to.....	385

	Case.
Construction, tools mountable on cars used in	480,500
salaries and expenses of officers engaged in	436
Contract, payment for abrogation of	380
Contributions incident to operation of road	501
not properly includible in operating expenses	501
Conversion of equipment to other purposes	352
Cotton compress receipt, fraudulent, reimbursement compelled by issue of bill of lading against	612
Coupons found in covers of mileage books returned	261
in mileage books returned for redemption	261
printing of	454
special admission amusement, revenue derived from	328
representing travel not performed by ticket purchaser, revenue from	216
Credentials, passenger, unclaimed redeemable portions of	261
Crew and engine of wharf company hired for switching	416
Crossing, damages paid on account of injury to stock at	396
flagmen at, wages of, apportionable to joint facility expenses	493
interlocking plants jointly used at	116,272
operated jointly, watchmen employed at	359
operated jointly, expenses incident to	272
rent paid for land at proposed, to prevent putting street across tracks ..	307
street, not at stations or yards, electric lights at	269
street, planks laid at, for train stops	554
Crossing timbers, classification of	102
Currency for pay rolls, premium on	346
Customs detention of cars, per diem during	597
duties on construction materials and supplies	594

D.

Damage caused by overflow of water	38,392
caused by water overflow incident to construction	38,317,314
in connection with milk shipments, payments on account of	626
on account of injury to stock on right of way	396
to cars in yard jointly operated	356
to interlocking plant operated jointly	471
to locomotive caused by defective track of another carrier	399
to personal effects of passengers in wreck or accident	386
to property by tugboat used in outside operations	470
to property, delayed payments for	424
to property during construction of line in previous year, payments on account of	583
to property, expenses of claim agent in charge of claims on account of ...	532
to property in connection with the operation of a joint facility	364
Damaged and unclaimed freight, rent of building for storage of	638
Damages, account of failure of trains to stop at station to pick up passengers	79
claims for, when road carries its own insurance	419
due to washouts, cost of repairing	438
on account of stock killed during construction	314
on account of washouts or overflows occasioned by construction of new double track	317
payable for ejectment of passengers from train	78

	Case.
Damages, to company's material in transit.....	8
to property by casualties in joint yards.....	491
witness fees and judgment in suit for, connected with attempted burn- ing of shop.....	616
Deadheaded cars in passenger and freight trains, mileage of.....	640
Deed for right of way, second payment to validate.....	437
Defective appliances on cars, fine on account of.....	387
Deferred payments on cars purchased, interest on.....	579
Deficit from operation of union station, participation in.....	329
Delayed payments of casualty claims.....	424
treatment of, in accounts.....	379
Demurrage charges, uncollectible, treatment of.....	614
caused by error in billing freight.....	344
on baggage cars used by theatrical parties.....	390
paid for detention of a boat.....	27
penalty for failure to furnish cars under reciprocal laws.....	77
Deposits, bank, interest on.....	366
Depot, rent of land for building.....	306
maintenance and operation expense apportionable to rented space in....	326
Depreciation account, application of.....	575
accounts, in connection with temporary sidings and tracks.....	580
adjustment of insufficient charges on account of.....	566
of equipment, method of handling charges for.....	49, 567
of equipment under car trusts.....	48
of locomotives.....	420
on bridges and other structures, adjustment of.....	335
on equipment accruing prior to July 1, 1907.....	574
on equipment, basis for charging.....	593
on equipment before and after beginning of operations.....	430
on equipment destroyed.....	421
on equipment, rate for charges made for.....	109, 108, 348
on equipment rented to a lumber plant.....	539
on floating equipment retired.....	426
on gasoline motor car used as a passenger coach.....	465
on locomotives.....	36
on parlor and sleeping cars.....	55
on roadbed.....	40
fluctuating rate for.....	167
under maintenance of way accounts.....	106
Destruction of building by fire, loss due to.....	621
of equipment by fire, loss due to.....	621
of equipment, insurance recovered in connection with.....	353
of leased cars, disposal of excess in replacement fund provided to cover loss by.....	618
of property, distribution of expenses paid for.....	419
of Pullman cars by wreck, payment for loss due to.....	633
Detective agencies engaged in carrier's service, fares refunded to.....	528
agency, expenses of, in connection with investigation of train wreck....	331
agencies, payments for services of.....	298
Detention of cars at customs points, per diem accrued during.....	597
Detouring trains, explanation of term.....	106

	Case.
Devices, mechanical, used in operation of locomotives or cars, expenses of litigation regarding patents on.....	287
Dining car, loss in operation of, on joint line.....	417
car service, joint, handled at a loss.....	444
cars, cleaning exterior of.....	606
Directors' fees for attending meetings.....	448
Dirt used instead of stone or gravel for ballasting purposes.....	467
Discount, for cash, on materials and supplies purchased.....	366
on bonds, treatment of.....	19, 101, 503, 504, 505
on notes, secured by bonds of longer period, extinguishment of.....	587
on securities, capital stock issued without consideration as related to.....	581
on securities given as commission.....	234
Dismantled equipment, provision for account covering.....	112
Dispatching trains, telegraph operators handling orders for.....	63
Distribution of amount collected from other carriers for facilities furnished at terminal freight houses.....	414
of cost of labor and material in repairing equipment at joint shops.....	393
of expenses based on operations of current month.....	384
of expenses of cleaning and furnishing supplies for cars.....	410
of expenses of furnishing supplies from terminal storehouse.....	412
of expense of joint fuel stations.....	411
of expense of operating jointly used roundhouse.....	409
of expense of repairing commercial cars and locomotives.....	413
of extraordinary expenses due to casualties in the operation of joint facilities.....	491
Ditching machines not permanently mounted on cars, treatment of.....	480
Docks and wharves, rent paid for tide lands for.....	431
clearing account for amounts in connection with unloading coal at.....	455
coal and ore, operation of.....	487
ore, switching cars at, mileage and expenses incident to.....	135
Donations made by company, treatment of.....	591
Donkey engine used in the operation of a gravel pit.....	500
Drafts and checks, cost of exchange on.....	207
Drill, calyx, used in construction and operation, cost of.....	318
Driveways at stations, rent paid for.....	406
Dumping of coal, revenue from.....	233
Duplication of payment of claim, in error, loss due to.....	613
Duties paid on construction materials and supplies.....	594
Dwelling apart from right of way, for use of superintendent, cost of.....	140

E.

Earnings from union station operated as joint facility.....	329
Ejectment of passenger from train, payment of damages for.....	78
Electric equipment for cars and cost of new cars electrically equipped.....	22
equipment of power plants, expenses of.....	58, 59
light and power plants, classification of.....	490
light machinery for car lighting at terminal station.....	603
lights at street crossings not in yards or at stations.....	209
lights, distribution and cost of.....	177, 178
lines, joint use of steam road tracks by.....	495
machinery for shop purposes.....	58, 59

	Case.
Electric power, distribution of cost of.....	180
power house, clearing account in connection with operation of.....	178, 180
power plant, treatment of, when an outside operation.....	433
Elevator companies, payments to, for transferring grain en route.....	472
Elevators, grain, payment to, for service.....	219
Employees, additional compensation to, for carrying mail.....	628
affidavits of, concerning shippers' claims, notarial fees connected with.....	607
air-brake instructions for, expense of.....	254
at coal and ore docks, pay of.....	66
at crossings, wages of.....	204
at joint facility stations, pay and expenses of.....	193
at station, expenses of.....	206
attending the investigation of accidents, wages of.....	445
classification of service of, when transferring freight from yard to point on main line.....	641
errors and faults of, payments and losses due to.....	613, 614, 615
injuries to, by another carrier operating under trackage rights, pay- ment for.....	364
operating interlockers and other signals.....	468
pay and expenses of, while attending inquests.....	34
pay of, for overtime and loyalty during strike.....	202
pensions for, and incidental expenses.....	208, 302
rooms rented to, revenues and expenses in connection with.....	625
salaries of, when acting as general officers.....	209
telegraph, in offices of traffic officials or in outside agencies, salaries and supplies of.....	619
Engineering account in classification of road and equipment, explanation of.....	100
department, expenses of studies in connection with proposed work of.....	6
Engineers, salaries and expenses of, engaged in inspecting property before purchase.....	519
stationary, cost of licenses for.....	499
Enginehouse, expenses of, considered in relation to cost of removing cinders.....	163
expenses, painting front end of locomotive, treated as.....	391
Enginemen employed on water trains, pay of.....	458
Engraving, expense of, in connection with new bond issue.....	576
Equipment, account of conversion of cars to other purposes, treatment in.....	352
accounting for depreciation and replacement of.....	567, 575
accounts, adjustment of ledger accounts to inventory values in.....	172
acquired with road purchased, improvements to.....	569
additions and betterments to.....	147
and construction material, interest on notes given for.....	474
adjustment of insufficient charges for depreciation of.....	566
apportionment of charges for, between hire of equipment and oper- ating expense.....	195
at joint terminals, maintenance of.....	355
ballast car, in commercial service.....	47
bonds issued for, discount on.....	19, 101
burning of, treatment of loss due to.....	621
clearing account for shop expenses of.....	173
cost of rebuilding old locomotives and similar.....	420
assigned to maintenance of way service, repairs to.....	413
damaged on jointly operated line.....	356, 364

	Case.
Equipment, depreciation and renewal of.....	49, 112
depreciation charges, pending fixing rate.....	348
depreciation on, accruing prior to July 1, 1907.....	574
depreciation on, basis for charging.....	593
depreciation on, rate for charges made for.....	109, 168, 348
depreciation on, purchased under trust agreement.....	48
depreciation on, treatment of.....	169, 172
depreciation on, fluctuating rate for.....	167
depreciation on, when furnished to an industrial company.....	539
destroyed on foreign lines, bill for.....	176
destroyed or sold, treatment in renewal accounts of.....	169
destroyed, proper accounting for.....	421
electrical, and the electric equipment of cars.....	22
electrically propelled, repairs to.....	57
electric, of power plants, accounting for.....	58
empty, switching, not in connection with loaded movement.....	461
fitting up and repairing, with tanks for transportation of gas for lighting cars.....	481
floating, disposition of residual value of, when retired.....	426
floating, insurance on.....	182
floating, retired, basis of value for depreciation on.....	426
freight, distribution of expense of clearing house for.....	301
general balance sheet statement of, when purchased under equipment trust plan.....	542
gondola freight car, rebuilding and improvement of.....	555
government suits in connection with defective appliances on.....	337
haul of, payment under guaranty to another carrier for.....	590
hired, destroyed in wreck, expenses connected with.....	456
hired for yard service.....	368
hire of, by switching road.....	52
hire of, disposition of all payments on account of.....	125
hire of, including repairs, for joint switching service.....	520
hire of, in connection with additions and betterments work.....	132
insurance recovered in connection with.....	353
lease of, payments to mill company in connection with.....	630
loaned to contractor, on construction work.....	53
of another carrier, cost of repairing, in connection with joint facilities.....	393
operation of, over another carrier's tracks, accounting in connection with.....	577, 592
other carriers', used in clearing wrecks.....	243
passenger, cost of switching.....	80
payment of car trust, installments in purchase of.....	354
purchased during construction and diverted before delivery.....	415
purchased under car trust plan, instead of for cash, difference in price on account of.....	367
purchased under car trust plan, payments of principal and interest on.....	515
purchase of, interest on deferred payments incident to.....	579
renewal accounts.....	426
renewals account, when charges should be made to.....	175
rent of, used in additions and betterments work.....	559

	Case.
Equipment, rent of, when used in recovering lost freight of other carriers.....	282
repairs, accounting for.....	423
repairs in connection with ballasting track not previously ballasted..	483
repairs to bad order, used exclusively in work service.....	235
of road formed by consolidation, proper accounting for.....	462
sale of locomotives and, treatment in accounts of.....	351
used during construction, sale of.....	430
work, cost of, such as calyx drill and outfit used in construction and operation.....	318
wreck of, treatment of loss due to.....	618, 633
(See also Cars, Locomotives.)	
Error, in billing, causing overcharge on shipment	319
in billing freight, causing demurrage charges.....	344
in delivery of bonded freight, fine imposed on account of.....	343
in operating accounts of previous year, adjustment to correct.....	582
in refunding overcharge.....	613
in routing freight, refund of revenues due to.....	213, 319
of agent, claim due to.....	512
of agent, claim on account of misrouting shipment due to.....	511
of clerk in delivering to insolvent consignee, loss due to.....	614
Estimates, adjustment of, to actual expenditures.....	425
Excess baggage revenue, baggage car transportation as related to	88
Exchange, bank, on checks and drafts.....	207
Excursion ticket used only to an intermediate point, revenue from.....	216
Expenses, charged in month in which they occur.....	333
distribution of, based on operations of current month.....	384
engineering department, for studies in connection with proposed work..	6
extraordinary, carried beyond the fiscal year.....	5
in connection with the operation of joint facilities	491
incident to operation over another carrier's tracks.....	577
in connection with property not used in the operation of a railroad....	16
of president and his clerks and attendants, distribution of.....	82
Express cars, revenue from switching.....	260
companies, rents paid by, for facilities furnished.....	119
Extension of main line, classification of cost of.....	595

F.

False arrest for attempted burning of shop, fees and judgment in damage suit con- nected with.....	616
Fares collected from caretakers in charge of cars hauled as freight.....	442
passenger, disposal of excess in, over rates prescribed by State commission retainable under court decision.....	605
passenger, reimbursement of, resulting from misinformation on part of ticket agent.....	615
refunded to detective agencies engaged in carrier's service.....	528
Fast freight lines, expenses of soliciting agents for.....	338
expenses of stationery and printing for	244
Fees, attorney's, delayed in payment	379
garnishment, disposition of amounts received for.....	229
notarial, in connection with affidavits of employees concerning shippers' claims.....	607

	Case.
Fees, notarial, in connection with reports to National and State Governments	622
of directors for attending meeting.....	448
witness, in damage suit connected with attempted burning of shop.....	616
Ferry used in lieu of bridge for freight and passenger trains.....	489
Fines imposed for error in delivery of freight in bond.....	343
Fire, account of defective car appliances.....	337
building and equipment destroyed by, treatment of value of.....	621
engine and apparatus, mileage of train hauling, without charge.....	642
protection, amount paid municipal corporations for.....	305
protection, appliances and construction for.....	28
extraordinary expenses resulting from.....	5
Flagmen at crossings, wages of, apportionable to another carrier.....	493
Flat cars, cane racks fitted to, for sugar-cane season.....	611
Floating equipment, operation of, for inspection of bridges and officers' use.....	389
operating of, in lieu of bridge.....	389, 489
stationery and printing expenses incurred in operation of...	200
Flood, purchase of land to restore grade washed away by.....	460
Franchise, annual, taxes paid account of.....	428
for building docks and wharves on tide lands, payment for.....	431
Fraudulent compress receipt, reimbursement to holder of bill of lading issued against.....	612
Freight charges, disposal of uncollectible.....	588, 589, 608, 614
on company shipments over lines of carrier owning material.....	476
charges on material in additions and betterments work.....	559
charges over line owning jointly operated tracks.....	441
expense of transferring to and from ship side of.....	517
loading and unloading, payment to warehouse companies or contractors for.....	65
lost or destroyed, disposition of charges on.....	279
lost, recovered for another carrier.....	282
trains, mileage of baggage cars deadheaded in.....	640
trains, mileage of, when hauling bad-order cars.....	642
transferred from yard to point on main line, classification of service for..	641
unclaimed and damaged, rent of building for storage of.....	638
Freight house, distribution of rent collected under joint operation of.....	414
Foremen, general and shop, explanation of the terms.....	248, 264
Fuel and other supplies for gasoline motor cars.....	73
and supplies to restaurants leased to outside parties.....	136
expense of, for heating rented buildings.....	326
for locomotives, profit from sale of.....	584
labor in connection with supplying, to locomotives.....	402
station, joint operation of a.....	411
supplies for stations, wages of trackmen in unloading.....	447
Funds, insurance, hospital, and medical, adjustment of reserves in and expenses of.....	419
liability, insurance, created by charges to operating expenses, for personal injuries.....	526
pension, adjustment of, and treatment of amounts paid as pensions.....	302
replacement, for leased cars destroyed, disposal of excess in.....	618
reserve, treatment of balances in.....	4
Furniture and fixtures for general offices, cost of.....	518

G.

	Case.
Garbage and refuse, cost of removing from team tracks at stations.....	475
Garnishment suits, fees received on account of accounting for.....	229
Gas supply for coaches, iron tanks placed on flat car for.....	481
Gatemen at crossings, pay of.....	204
General balance sheet, text of, in connection with discount on bonds.....	504, 505
foremen, as distinguished from shop foremen.....	248
manager, acting as purchasing agent.....	156
officers, salaries of, when on construction work.....	436
superintendent, salaries and expenses of, when managing road.....	209
officers, cost of furniture and fixtures for newly rented offices of....	518
offices, rent of, when occupied by other than general officers, apportionment of.....	534
Government, compensation of attorneys acting in matters in connection with....	617
National or State, notarial fees in connection with reports required by.....	622
suits in safety appliance law, expenses of.....	337
troops, revenue from special trains carrying.....	325
Grades washed away, cost of replacing.....	460
Grading, advertising for bids in connection with.....	604
Grain elevators, payments to, for service.....	219
inspection, payments to produce exchange for.....	199
transferred en route, payments to elevator companies for.....	472
Gravel pits, clearing account for expense of ballast from.....	114
sale of.....	230
Grounds, rent of, on which tenants have constructed buildings.....	326
Guaranty, chartered trains run under, treatment of amount received for. 85, 221, 222, 227	
fund to protect Chautauqua against loss, contributions to.....	591
of freight revenue by industrial company.....	98
of passenger revenue to insure operation of trains.....	90
to another carrier of minimum revenue from haul of passenger cars over its line.....	580
Guard rails, installation of.....	385

H.

Hand cars used in construction and used later on completed road.....	600
Hay, payment for cutting, on right of way.....	252
Highways, defective, personal injuries resulting from.....	304
Hire of engine and crew in connection with switching service at wharf.....	416
of locomotive (and crew) to an industry at a rate per hour.....	228
of switch engines at a joint terminal.....	520
of equipment paid for operation on carrier's line by another carrier... 195, 284, 286	
by lumber company.....	539
cars purchased during construction and used by other carriers accounted for through.....	415
disposition of all payments on account of.....	125
in connection with additions and betterments work.....	132
in connection with amount paid another carrier for use of wreck train and crew.....	243
in connection with a switching road, treatment of per diem reclaims and.....	270

	Case.
Hire of equipment in connection with dining car service.....	444
in connection with transferring cars delayed on account of improper loading.....	131
in connection with transferring (switching) cars delayed by improper loading.....	130
on a per diem basis, and the destruction of such equipment, in wreck.....	456
owned by mill company not common carrier.....	630
penalty for retention of cars on line treated as.....	473
treatment of, for a locomotive for use in switching service of three roads.....	368
treatment of per diem reclaims in connection with.....	249
used on construction work, amount paid by contractor for...	53
use of, account by switching roads.....	52
Hospital and medical expenses, distribution of.....	419
Hostlers and helpers, pay of, for handling coal at chutes, etc.....	402
Houses occupied by employees, rent free in lieu of wages.....	488

I.

Ice and coal, supplied to restaurants leased to outside parties.....	136
houses, cost of cleaning.....	624
Icing charges, profit from, when supplied at tariff rates.....	538
Industrial companies, payment to, for services of switching locomotive.....	220
Industry, spur track built for.....	523
Injuries to persons, account of defective highway.....	304
adjustment of reserve accounts for.....	155
accounting method for, when carrier has a liability-insurance fund.....	526
damages paid account of ejection of passenger, as related to.	78
delayed payment of judgment, account of.....	424
determination of account chargeable with, by reference to factor doing injury.....	164, 165
in connection with the operation of a joint facility.....	364
office expenses of claim agent in charge of claims for.....	532
pay and expenses of employees attending inquests as related to.....	34
rent of offices for use of claims department in connection with.	35
resulting from casualties in the operation of joint yards.....	491
Injuries to trackman by freight or passenger train.....	164
Injury to horse occasioned by defective crossing.....	396
Inquests, pay of employees attending.....	34
Inspection, grain, payments for.....	199
joint car, division of expenses of.....	56, 477
Inspectors at joint terminals, amounts paid to car.....	477
Insurance, fund for, created by charges to operating expenses.....	31
fund, adjustment of reserves in and treatment of expenses incident to.	419
funds, interest on, more than necessary to cover losses and premiums.	525
funds provided by carrier for protection of employees and property...	419
indemnity, premiums paid for, on employees engaged in construction.	609
liability fund created by charges to operating expenses for personal injuries.....	526

	Case.
Insurance, loss of station funds when not covered by.....	453
marine, on material, treatment of.....	463
on floating equipment.....	182
on jointly owned building, premiums paid for.....	629
premiums, adjustment of and treatment of, in accounts.....	29
premiums, commissions for collecting.....	99
premium paid on material.....	181
recovered from insurance companies.....	31
recovered on equipment destroyed.....	353
Interest and commission in relation to discount on bonds.....	505
and principal of car trust notes, payments on account of.....	515
on bank deposits.....	365
on deferred payments for equipment purchased.....	579
on insurance funds in excess of all losses and premiums, disposal of.....	525
on notes given in payment for construction material or new equipment..	474
treatment in accounts of.....	366
valuation, rent of property based on.....	12
Interlockers and block and other signals, wages of employees at crossings charged to account for.....	204
and other signals, lubrication of.....	76
and signal systems, bonding rail for.....	42
and switches, pay of employees operating.....	468
treatment in accounts when a joint facility of.....	278
Interlocking plants, joint operation of.....	116, 117
plant on joint track, tenant paying part of the cost of.....	531
plants operated jointly, damage to.....	471
plants, operation of, in connection with other carriers, when classified as a joint facility.....	272
plant, partially erected and then abandoned, disposition of cost of labor and material for.....	524
Inventory, adjustment of material accounts to basis of.....	9
Investigation of accidents, wages of employees attending.....	445

J.

Janitor service furnished tenants in rented buildings.....	326
Joint car inspection, accounting for.....	56
employees, salaries of.....	193
facilities, arrangement for handling logs and lumber in connection with....	539
casualties in connection with.....	491
cost of repairing another carrier's equipment in connection with..	393
damage to cars in a yard jointly operated, considered in relation to.	356
embracing trackage rights over a line, payment for which is made at a certain rate per car.....	268
expense of joint operation of a drawbridge handled through.....	360
explanation of conditions under which rents are handled through.	327
explanation of the account "Maintaining joint equipment at ter- minals" in connection with.....	355
explanation of the word "joint" under.....	159
furnishing supplies to locomotives in connection with.....	412
in connection with the operation of a crossing.....	493
in connection with the operation of freight houses.....	414
in connection with the operation of a fuel station.....	411

	Case.
Joint facilities, in connection with the operation of a terminal.....	492
locomotive repairs and car cleaning at union stations in connection with operation of.....	535
manner of handling delayed bills in connection with.....	247
on tonnage basis, revenue from.....	496
operation of interlocking plants, also crossings protected by manual signals when classified as.....	272
operation of joint terminal, division of expenses of.....	371
operation of stations, interlockers, and water stations, when classified as.....	278
payment for, based on a flat rent per annum.....	250
payment for, based on interest valuation, in addition to a portion of operating expenses.....	273
percentages added for superintendence and store expenses in connection with.....	441
rent paid upon basis of valuation and proportion of revenue for...	372
rents paid for trackage rights in operation of.....	120, 121
revenue accounts, explanation of.....	507
signals to protect crossings when classified as.....	272
treatment of maintenance and operation of leased track under....	375
treatment of salaries of station employees in connection with.....	193
wages of watchmen employed at crossings in connection with.....	359
facility, accident in connection with operation of, involving damage to property and personal injury.....	364
accounting for operation of a joint station and yard when classified as a.....	161
accounting for tracks jointly operated when classified as a.....	160
accounts for alternate operation of switching track treated as.....	635
accounts with carrier not reporting to Commission	636
damage to interlocking plant operated as.....	471
expense in connection with passenger cars treated as.....	410
rent of switch engines used at joint terminals operated as.....	520
interlocking plant operated as.....	531
maintenance and operation of tracks used as.....	215
operation of, embraces all elements of operating expense.....	46
operation of a roundhouse, classified as a.....	409
operation of interlocking plants treated as.....	116, 117
rent paid for tracks used as.....	215
rents received from electric line for use of track operated as.....	495
restaurant at station, operated as.....	540
station operated as, at deficit, treatment of revenue derived from..	329
taxes on property classified as.....	10
use of a side track when classified as.....	308
water supply and turntable when treated in connection with.....	74
operation of building, insurance premiums paid in connection with.....	629
of tracks, division of amounts received under lease or contract in connection with.....	632
Judgment against carriers, and heavy expenses, treatment of, in accounts.....	5
delayed payment of, in casualty claims.....	424
in case of indictment on account of defective appliances on cars.....	337
in controversy, relation to closed construction account of.....	590
in damage suit connected with attempted burning of shop.....	616
Junction yards and terminals, definition of.....	377

K.

	Case.
Keys, switch, accounts to be charged and credited with cost of.....	299

L.

Labor and material for interlocking plant, dismantled before completion, cost of..	524
incident to transferring cars, on account of improper loading, accounting for..	131
crediting of percentage added to cost of, for bills rendered to other carriers..	394
distribution of, in connection with shop expenses.....	179
in connection with joint operation of stations.....	414
in connection with lighting switch lamps.....	196, 197
incident to loading cinders at ash pits, accounting for.....	163
of hostlers and helpers at coal chutes, etc., in handling coal.....	402
of transfer crew taking freight from yard to point on main line, classifica- tion of.....	641
percentage added to, when rendering bills to other carriers.....	246, 262
transferring freight between ship side and cars at a dock.....	517
Lamps, switch, lighting and care of.....	196, 197
Land commissioner, salary of.....	255
damaged by overflow caused by insufficient opening under bridge.....	392
damage to, during construction of line in a previous year, payment for.....	583
for right of way, cost of securing title to, after construction accounts are closed.....	437
leased to prevent a street crossing tracks.....	307
leased to provide driveway to sidetrack.....	370
not connected with operation of road, rent from.....	296
not required for immediate needs, receipts from timber sold from.....	432
on which station building and tracks are located, rent of.....	564
option on, when forfeited, or purchase is postponed.....	435
purchased for dirt to replace grade washed away by flood.....	460
rented for station grounds and yards.....	407
rented from, for union station.....	292
rent of, upon which depot is built.....	306
Lands, cost of overhead bridges constructed as consideration for exchange of.....	376
Lap-over expenditures, treatment of.....	423
Launch, steam, used for inspection of bridges and transporting officials.....	389
Law suits, witness fees and judgments in connection with.....	590, 616
Lease of ground for roadway, payment for.....	370
of terminals, disposition in accounts of.....	280
Leased bridge property owned by a bridge company, accounts relating to.....	592
cars destroyed in wreck, disposal of excess in replacement accounts for...	618
equipment owned by mill company, payments for.....	630
track owned by tram road, receipts and payments in connection with....	601
Legal department, rent of offices for.....	345
expenses in connection with bond issues.....	576
firm employed at Washington to represent carrier, compensation to.....	617
penalties paid for violation of tw-nty-eight-hour stock law.....	623
License fees, paid to cities for privilege of occupying or crossing streets, etc.....	122
for stationery engineer at shops.....	499
wharfinger, cost of.....	369
Lighting machinery at terminal station for furnishing electric light for passenger cars.....	630
Lights, electric, at crossings.....	269

	Case.
Lights, electric, distribution of power, cost of.....	177, 178, 180
expense of, for rented buildings.....	328
switch, velocipede cars used in attending to.....	508
Line, main, classification of cost of extension of.....	595
Litigation regarding patents, treatment of expenses in connection with.....	287
Live stock, fares collected from caretakers of.....	442
Locomotive and crew of wharf company hired for switching.....	416
and crew hired to an industry for shifting cars at a rate per hour.....	228
damage to, caused by defective track of another carrier.....	399
hire of, in connection with switching service.....	368
Locomotives, special service, expenses in bringing to shops.....	54
switching done while on road service, classification of expenses for...	70
apportionment of expenses of.....	189, 190
cost of rebuilding old.....	420
depreciation on.....	36
hire of switching, used in the operations of a joint terminal.....	520
hired to contractor on construction work.....	53
in work-train service, repairs of.....	413
paint applied to front end of.....	391
relief, expenses and mileage of, from shops to point of service.....	639
rent of, in additions and betterments work.....	559
rents paid for stalls for housing.....	288
repairs to, and car cleaning for other carriers at terminals.....	535
repairs to, when handling new ballast.....	483
sale of, treatment in accounts of.....	351
treatment of betterments to.....	147
turned on Y, treatment of expense in connection with.....	521
turning, by connecting line, cost of.....	74
water for, amounts received from sale of.....	194
water for, pay of superintendent in charge of producing treated....	201
water furnished by connecting lines, cost of.....	74
Locomotive-miles, for picnic, chartered, and special trains.....	224
when locomotive is used at switching at coal and ore docks....	135
when locomotive divides time between road service and switch- ing.....	70, 239
of locomotive sent from shops to relieve switching engine.....	639
of switching locomotive moving under own steam to shops....	639
made in nonrevenue service to individuals on a per diem basis.	381
of switching locomotive, rates for computing.....	240
of locomotive moved on tracks of another carrier.....	408
Log loader, cost of.....	236
Loss arising from robbery of conductor on electric line.....	400
due to fire, treatment of.....	621
due to uncollectible charges, disposition of.....	588, 590, 608, 614
due to wreck, treatment of.....	618, 633
of company material in transit in baggage car.....	627
of money advanced an agent for the payment of customs duties, through robbery of station.....	342
of personal effects of passengers in wreck or accident.....	386
of station funds by burglary, when not covered by insurance.....	453
on account of duplicate payment of pay check.....	347
and damage, adjustment of reserve accounts for.....	155

Case.

Loss and damage, claims, notarial fees in connection with employees' affidavits concerning.....	607
on company material.....	8
payments in connection with milk shipments.....	626

M.

Machinery at terminal station for furnishing electric light for passenger cars.....	603
electric, for shop purposes.....	58, 59
in bridge and building department shops, maintenance of.....	311
Mail, compensation paid for carrying, between station and post office.....	628
Maintaining joint equipment at terminals, explanation of the account for.....	355
Maintenance, cost of, in connection with joint operations.....	632, 636
cost of, in connection with leased property.....	592, 632
M. C. B. rules in connection with cost of removing advertisements from cars.....	281
rules, shop expense account not in conflict with.....	257
Material account in connection with equipment destroyed, sold, or retired from service.....	169
accounts, adjustment of, to basis of inventory.....	9
for rails and ties, adjustment of.....	334
for rails and ties, expenses in relation to and adjustment of..	332, 333
rails and ties, adjustment of estimates to actual expenditures for.....	425
and labor, in the construction of a temporary trestle for a road under construction.....	506
and supplies, cash discount on.....	366
company's freight charges on.....	476
company's, in revenue train, classification of mileage made in transporting.....	418
construction and new equipment, interest on notes given in payment for.	474
distribution of store expenses to.....	184, 185
freight charges added to, in joint operation.....	414
freight charges on, when used in additions and betterments work.....	559
in stock, cost of handling, and adjustment of store expenses account....	61
insurance on, treatment in accounts of.....	181
in temporary sidings and spur tracks, cost of, and treatment of when track is abandoned.....	560
loss of company's, in transit in baggage car.....	627
marine insurance on.....	463
obsolete, accounting for when taken out of stock and sold as scrap.....	153
percentage added to cost of, when rendering bills to other carriers..	246, 262, 394
purchased for interlocking plant not completed, cost of labor and.....	524
purchased not for immediate use.....	333
scrap, taken from temporary tracks, during construction.....	316
scrap, taken up, such as angle bars, frogs, etc.....	144
scrap, when not possible to preserve identity, treatment of.....	174
train delivering ballast, classification of.....	104
unidentifiable scrap, collected along line of road and sold.....	514
used for additions and betterments work, store, and other expenses in connection with.....	373
Material and supplies for construction, duties and expenses account of.....	594
furnished at a terminal, distribution of.....	412
profits derived from sale of.....	584, 598

	Case.
Mileage books, coupons found in covers of, returned for redemption.....	261
exchange order bureau, expenses of.....	271
(See Car mileage; Locomotive miles; Train mileage.)	
Milk, revenue from transportation of, classification of.....	83
shipments on passenger trains, loss and damage payments on account of...	626
Mill company not common carrier, payments to, for use of equipment and track..	630
Milling in transit, stop charges in connection with.....	92
Mines, switching service at, expenses incident to.....	69
Minimum, payments to another carrier under guaranty of.....	580
Misinformation by ticket agent, reimbursement to passenger due to.....	615
Misrouting, extra drayage charges on account of.....	511
overcharges on connecting line due to.....	512
Money, loss of, by burglary at station.....	453
premiums paid on, for pay rolls.....	346
stolen from safe.....	342
Motor car, gasoline, wages of motormen operating.....	73
used by general manager.....	508
gasoline, used as passenger coach.....	465
Motormen, operating gasoline motor car, wages of.....	73
Motor-miles, disposition of.....	237
Municipal corporations, amounts paid to, for fire protection.....	305

N.

Newspapers, handled in baggage cars, revenue from.....	88
Notarial fees on affidavits of employees concerning shippers' claims.....	607
in connection with reports to National and State Governments.....	622
Notes secured by bonds of longer period, extinguishment of discount on.....	587

O.

Office building, rent and expenses of, occupied by both general and departmental officers.....	404
Operating expenses, proper time to begin accounts for, on new road.....	115
principle underlying classification of.....	17
treatment of item belonging to, of former years.....	379
Operation, cost of, in connection with joint operations.....	632
cost of, in connection with joint facility.....	636
meaning of word, as used in connection with joint facility accounts...	46
of floating equipment, explanation of text of	137
of leased property, cost of.....	592, 632
of tracks of other road, accounting for.....	408
Operators salaries of, in general offices.....	533
salaries and supplies of, in offices of traffic officials and at outside agencies	619
salaries of station agent, acting as.....	251
pay of, stationed along line to protect trains during construction work	146
to receive and deliver orders for movement of trains, pay of.....	63
Option on property, payment for, and disposition pending purchase.....	435
Outside agencies. salaries and supplies of telegraph operators in	619
Outside operations, accounting for cold-storage plants when considered as.....	142
additions and betterments to property used in.....	23
tug and barge lines between points on coast treated as.....	143
business of regularly supplying commodities considered as...	584

	Case.
Outside operations, damage to property by a tugboat operated as	470
demurrage paid for detention of boats, classified under.....	27
dining and other cars conducted as, cleaning exterior of.....	606
dining car line classified as.....	417
electric current sold for commercial purposes treated as.....	433
explanation of, in connection with electric light and power plants	490
loading, unloading, and trimming boats at docks treated as..	487
repairs to parlor and sleeping cars and treatment of deprecia- tion and renewals in connection with	55
repairs to sleeping cars when treated as	138
restaurant at a station, expenses of treated under.....	540
taxes on property devoted to	16
revenues and expenses of parlor-car service under classifica- tion of.....	25
revenues and expenses of stockyards classified as, but not separable from rail operations.....	26
Overcharges on shipment caused by error in routing	213, 319, 512
refunded, when not collectible under association rules.....	469
adjustment of reserve funds for.....	4, 211
notarial fees in connection with affidavits concerning claims for.....	607
Overflow of water, damage caused by	392
during construction period, damage caused by.....	38, 314, 317
Overtime service during strike	202

P.

Packages in baggage cars, revenue from transportation of.....	88
Paint applied to front end of locomotive	391
Parlor cars, revenue from, when expenses are not separable from transportation expenses.....	25
repairs, depreciation, and renewals of	55
revenues from.....	226
Passageways, overhead, cost of.....	376
Passenger cars, flat rate received in part payment for use of private.....	644
payment to terminal company for transfer of, to connecting line..	645
payments for switching.....	80
coaches, mileage and revenue of special	646
failure of train to stop for, damages on account of.....	79
fare, excess, when retained under court decision	605
fares, reimbursement of, because of misinformation from ticket agent...	615
station, rent received for space in	97
station, rooms in, rented to employees, revenue and expenses account of.	625
station, temporary track support in connection with improvements at..	599
statistics, when revenue is credited to account No. 10.....	224
train, mileage of, when hauling bad-order cars or fire apparatus.....	642
train-miles, when the revenue is divided	221
train service, through, one carrier paying expenses and billing another for proportion.....	284, 286
train service, through, treatment of bill for proportion of expense of....	363
train, revenue and statistics of special.....	631
train, statistics for, when operated on another carrier's line.....	577
trains, milk shipments on, loss and damage account of.....	626

	Case.
Passengers, ejectment of, damages by reason of.....	78
injured at station by work train, damages paid to.....	165
transfer of, between depots, explanation of text relative to.....	320
Patents, litigation regarding, expenses of.....	287
Pay check lost and collection made by another party, loss incident to.....	347
of crossing flagmen, when not a joint operation.....	493
of employees operating interlockers and other signals.....	468
of rock watchmen, accounting for.....	443
rolls, premium paid to procure currency for.....	346
Penalties for delivery of bonded freight without Government inspection.....	343
for failure to furnish cars under reciprocal demurrage laws.....	77
for violation of twenty-eight-hour stock law.....	623
Pension funds, adjustment of, and treatment of amounts paid as pensions.....	302
amounts credited to and expended from.....	208
Per diem, additional rates in switching tariff to cover.....	602
by a switching road, treatment of.....	270
accrual of, due to detention of cars at customs points.....	597
on cars retained beyond allotted time.....	473
reclaims, disposal of, through hire of equipment.....	249
Percentage added to material and labor on bills to outside parties....	246, 262, 394, 441, 494
Perishable freight, fares collected from caretakers of.....	442
Pile driver used in construction of a bridge, rent of.....	266
structure taking place of bridge temporarily moved for repairs.....	450
Poles, amounts received from telephone companies for use of.....	513
Power, cost of, clearing account for.....	60
for propulsion of cars, etc.....	58, 59
generated for shop purposes.....	58, 59, 60
sale of, revenue from.....	433
supplies in connection with, treatment through shop expenses of.....	177
and lighting plants, electric, conditions under which, are treated as outside operations.....	490
plant, equipment of, application of account for.....	58, 59
electric, conducted as an outside operation.....	433
house, electric, application of clearing account in connection with operation of.....	178, 180
Premiums for indemnity insurance against injuries to employees engaged in construction.....	609
for insurance on building jointly owned.....	629
for insurance, treatment of.....	525
insurance, adjustment of, and treatment of, in accounts.....	29
on bonds redeemed.....	576
on currency for labor pay rolls.....	346
Printing baggage storage tags.....	341
coupons, local tickets, and baggage checks, cost of.....	454
Private cars, flat rate received in part payment for use of.....	644
hailed as freight, fares collected from caretakers of.....	442
Profit added to cost of labor and material when rendering bills to other carriers.....	246, 262, 394
from icing and refrigeration, disposition of.....	538
from sale of coal carried as fuel for locomotives.....	584
from sale of gravel.....	230
from sale of locomotives.....	351

	Case.
Profit from sale of materials and supplies carried in stock.....	598
from sale of real estate.....	585
from use of county scrip purchased below face value.....	596
included in joint facility bills, treatment of.....	441
Property abandoned in the construction of new double track.....	565
apart from right of way acquired for use of superintendent, classification of cost of.....	140
damaged by inadequate waterways	38
damage to, during construction of line in a previous year, payments for.	583
depreciation on, other than equipment.....	40, 106, 545, 575
destruction of, by fire, treatment of loss in connection with.....	621
destruction of, damage suit growing out of charge of attempted.....	616
insurance on, when not used in railroad operations.....	16
jointly owned, accounting in connection with.....	629, 632, 635
not used in operations, treatment of rents and expenses of.....	16
not used in operation of road, rent of.....	127
occupied rent free by employees.....	488
of carrier damaged by another carrier's locomotive.....	471
options, treatment of amount paid when forfeited or before purchase on.	435
rent of, based on interest valuation.....	12
sale of, profit derived from.....	585
Protection of trains, pay of operators for, during additions and betterments work.	146
Pullman cars destroyed by wreck, payments for loss of.....	633
Purchase of road and appraisal of equipment acquired.....	569
Push cars used in construction and used later on completed road.....	600

R.

Racks, cane, fitted to flat cars for sugar-cane season.....	611
Rail and tie accounts, adjustment and treatment of.....	332
adjustment of expenses in relation to.....	333, 334
Rail rests, expense of placing along line of road for rails.....	403
Rails and ties, renewals of, basis for adjustment of costs in expense accounts of...	425
bonding, cost of, for signals and interlockers.....	42
depreciation on, charged through subaccounts.....	40
increased weight of, in additions and betterments work.....	145, 374
increased weight of, on tracks used jointly, the tenant paying part of the cost.	375
reserves for.....	32, 332
Rate for depreciation, statement relative to.....	109
Rates, special, in connection with handling soldiers, commissary, and accouterments, classification of revenue derived under.....	325
Real estate, profit from sale of.....	585
Reclaims, per diem, treatment of.....	249, 270
Reclassification of additions and betterments expenditures under road and equipment accounts.....	556
Reconsignment charges, accounting for.....	92
Reconstruction of road purchased, application of account for.....	569
Redemption of bonds, premiums paid account of.....	576
Refrigeration charges, when borne by shippers.....	538
furnished to tenants of warehouses, receipts for.....	142
Refund of fares to detective agencies engaged in carrier's service.....	528
of overcharges less than voucher minimum under association rules.....	469
of revenue on account of error in routing freight.....	213, 319

	Case.
Refuse and garbage around stations, cleaning up.....	475
Registers, fare, cost of, on electric cars of a steam road.....	530
Reinsurance, premiums paid for.....	31
when a carrier acts as its own insurer.....	31
Relief claims, disposition of balances on.....	398
department funds, contributions to and expenses incident to management of.....	419
locomotive, expenses and mileage of, from shops to point of service.....	639
Relocation of track in connection with mining operations.....	499
Renewals accounts, charges to, for equipment renewals.....	175
accounts, amounts to be charged to, and adjustments applicable.....	162
accounts, treatment of residual value of floating equipment in.....	426
of ballast made necessary by heavier equipment.....	297
of bridge, treatment of.....	335
of equipment, accounting for.....	112
of equipment destroyed or sold considered in relation to accounts for..	169
of notes, treatment of interest paid for.....	474
of parlor and sleeping cars.....	55
of rails and ties, adjustment of estimates for.....	32, 425
of ties and rails, expenses in relation to.....	333
of ties and rails, provisions in accounts relating to.....	332, 334
of ties with better grade of ties.....	562
Rent and expense of office buildings occupied by other than the general officers, apportionment of.....	534
based on interest valuation.....	12
based on interest on valuation, in operation of a joint facility.....	273
cost of wharfinger license analogous to.....	369
derived from coal trestles.....	233
for bridges.....	17
for connecting track.....	406
for driveways at stations.....	406
for facilities furnished express companies.....	119
for fare registers on electric cars on steam road.....	530
for general offices occupied partly by departmental officers.....	404
for joint facility based on flat rate per annum.....	250
for land and buildings not used in operation of road.....	127
for land for roadway to side track.....	370
for land to prevent street from crossing track.....	307
for land upon which depot is built.....	306
for land upon which tracks are laid.....	13
for offices for claims department in connection with injuries-to-persons claims.....	35
for offices for legal department.....	345
of pile driver used in construction of a bridge.....	266
for privilege of crossing streets, etc.....	122
for station grounds and yards.....	407
for temporary use of track to obtain water and turn engine.....	74
for terminals, disposition of.....	280
for trackage rights, on basis of certain rate per car.....	268
for track owned by tram road not a common carrier.....	601
for facilities in joint operation when based on valuation, expenses, and revenues.....	215

	Case.
Rent for tracks, based upon a percentage of valuation of property, apportionment of.....	121
for tracks, based upon proportion of revenue or upon a fixed sum per year, apportionment of.....	120
for interlocking plant jointly used.....	116, 117
for tracks used in delivery of live stock to stockyards	263
for use of stalls for locomotives.....	268
for use of tracks based on valuation.....	11
for yards and tracks used exclusively and maintained by lessee.....	289
from a union station company for land occupied.....	292
from contractor for engine and cars used on construction work.....	53
from lease of restaurants and expenses of supplies furnished.....	136
from property not used in the operation of a railroad.....	16, 206
from property used by carrier not reporting to Commission.....	636
from section of track.....	365
from side track used jointly with an individual.....	293
from space in passenger station.....	97
from track operated without expense to owner.....	14
in connection with joint operation of freight station.....	414
donated to employees in lieu of wage increase.....	488
in operation of interlockers and other crossing signals.....	272
in operation of joint facility, and manner of handling accounts by each carrier.....	160
in operation of joint facility, based on valuation and proportion of revenue.....	372
in operation of joint terminal.....	371
of equipment and track owned by mill company.....	630
of offices for advertising department.....	397
of offices for superintendent of telegraph.....	397
of rooms in passenger stations to employees, revenue and expenses, account of paid by telephone company for use of poles along tracks of carrier.....	513
paid for bridge owned by bridge company.....	592
paid for building used for storage of unclaimed and damaged freight.....	638
received from jointly operated track leased to another carrier.....	632
in connection with joint facility accounts.....	327
received from electric line for use of track.....	495
Repairs of cars accruing previous to current year.....	423
of equipment, clearing account for shop expenses in connection with.....	173
on foreign cars, bills for rent of shops rendered in connection with.....	494
to cars electrically propelled.....	57
to cars in work service.....	235
to cars when handling new ballast.....	483
to commercial cars and locomotives assigned to maintenance of way service.....	413
to flat cars fitted with tanks for hauling gas for lighting cars.....	481
to property leased from bridge company.....	592
to sleeping cars.....	138
to work equipment when in commercial service.....	482
Replacement accounts, balances in.....	575
accounts, cars destroyed handled through.....	176
clearing account for, when borrowed equipment is destroyed.....	112
funds, disposal of excess credits to, covering.....	618
of burned building in relation to treatment of fire loss.....	621

	Case.
Reports to National and State Governments, notarial fees account of.....	622
Reserves, disposition of balances in.....	4
for freight overcharges, adjustment of.....	211
carried only until liabilities for which created are liquidated.....	211
for injuries to persons, loss and damage, and stationery and printing...	155
for rails and ties, annual adjustment of.....	32, 332, 333, 334
Restaurant at station treated as an outside operation.....	540
expenses for supplies furnished to leased.....	136
expenses for supplies furnished to, when operated as an outside op- eration.....	136
Revenue accounts, basis of credits to.....	231
accounts, theory governing classification of.....	446
derived from handling private cars at flat rates in addition to fares.....	644
derived from handling special coaches in regular passenger trains.....	646
derived from operation over another carrier's tracks.....	577
earned and unearned, on shipments lost or destroyed in transit.....	279
from excess baggage, explanation of text of account for.....	88
freight, affected by elevator charges.....	472
freight, guaranty by industrial company of.....	93
from chartered train handled under guaranty.....	85, 221, 222, 227
from circus trains handled for lump sum.....	223
from excess fares over rates prescribed by State commission.....	605
from guaranty for passenger train to insure service, disposition of.....	90
from handling trains of other carriers over home tracks.....	225
from milk transportation, classification of.....	83
from reconsignment and stop charges for milling in transit.....	92
from sale of materials or commodities.....	584
from special theatrical trains.....	527, 631
from stop-off privileges.....	94
local mileage tickets and apportionment of, to States.....	84
passenger, received for passenger trains run under a guaranty.....	222, 227
from weighing cars for another carrier.....	634
stamps purchased in connection with construction.....	594
special service train, commodities handled and conditions in connection with.....	325
switching, additional tariff charges covering per diem in connection with.	602
switching, derived from use of leased track.....	601
switching, for handling express cars.....	260
switching, for handling private car.....	259
switching, from handling defective cars at junctions.....	206
switching, from interchange of traffic with other roads.....	191
switching, from movement of cars between two sidings under one agent.	91
switching, in connection with handling cars, the lading of which is transferred.....	131
switching, in connection with transferring cars.....	130
switching, proportion of, due by another carrier absorbed.....	2
from collection of premiums on insurance policies from employees.....	99
Right of way, amount received for privilege of cutting hay on.....	262
building and lot on, payment for damage in a previous year to....	583
permission to cross, with sewer pipe.....	128

Case.

Road and equipment account not to show cost of subordinate company separately incorporated.....	546
classification of expenditures for, application of.....	18,115
statement in property investment accounts regarding cost of.....	581
Road service and switching service, division of train crew expense between.....	71
classification of cost of extending.....	595
division of expense of switching in connection with.....	189,190,191
expenditures incident to construction of.....	578,609,620
expenditures prior to current year incident to construction of.....	583
of crew transferring through freight from yard to point on main line	641
tools used in construction of.....	600
Roadbed, depreciation on.....	40
Roadway, cost of repairing portion of, washed away.....	460
payment for lease of ground for.....	370
Rock watchman, accounting for pay of.....	443
Rooms in passenger stations rented to employees, revenues and expenses of.....	625
Roundhouse, joint operation of.....	409

S.

Salaries and expenses of engineers engaged in inspecting property before purchase.....	519
amounts paid to produce exchange weighers in addition to.....	199
commissions paid agents in lieu of.....	64
of employees for overtime and loyal service during strike.....	202
of engineers when specially employed to work on plans for bridges, docks, and wharves.....	100
of general and operating officials engaged in construction and additions and betterments work.....	436
of general officers with supervision over several departments, apportionment of.....	330,484
of general officers and of employees acting in capacity of general officers..	209
of operators stationed along line to protect trains during additions and betterments work.....	146
of president and his clerks and attendants, distribution of.....	82
of purchasing agents and storekeepers, distribution of, in connection with store expenses.....	184
of telegraph and telephone operators in general office, apportionment of..	533
of telegraph operators in offices of traffic officials and in outside agencies..	619
of timekeepers employed in construction work.....	478
Salary of car accountant engaged in accounting and transportation department..	516
of general manager who is also purchasing agent, distribution of.....	156
of land and tax commissioner.....	255
of station agent and telegraph operator, distribution of.....	251
of stationer, distribution of.....	154
of superintendent of water service, distribution of.....	201
of ticket agents, commissions paid in lieu of.....	387
Sale of commodities, treatment of profits from.....	584
of materials and supplies from stock, profits from.....	584,598
of real estate, profits from.....	585
of timber from land carried as outside investment.....	432

	Case.
Salvage from another carrier's equipment destroyed.....	456
in abandoned sidings and spur tracks.....	560
value of, in connection with the conversion of equipment to other purposes..	352
Sand, payment made for loading.....	267
Scales, track, initial installation of.....	150, 427
Scrap from track material taken up.....	144
from temporary tracks used in construction.....	316
from along line of road, collection and sale of.....	514
from obsolete material taken out of stock.....	153
from equipment torn down, estimates of salvage.....	174
Scrip, profits derived from purchase of below face value.....	506
Seals, car, cost of.....	340
Section houses, water supplied to.....	450
Securities given as commission, discount on.....	234
issue of, legal expenses and engraving in connection with.....	576
owned, manner of stating, on general balance sheet.....	546
Shippers' claims, notarial fees in connection with affidavits of employees concerning.....	607
Shop expenses account not in conflict with M. C. B. rules.....	257
clearing account, basis of distribution for.....	188
clearing account for, distribution of labor in connection with.....	179
clearing account in connection with.....	173
cost of power for shop purposes handled through clearing account.....	60
in connection with power house.....	177
in connection with the operation of a joint facility.....	308
license for stationary engineer at shop classified as.....	490
Shops, maintenance of machinery in.....	311
burning of, loss due to.....	621
license for stationary engineer at.....	490
damage suit growing out of charge of attempted burning of.....	616
Side track, expenses in connection with joint use of.....	308
payment for lease of ground for roadway to.....	370
rent of land for.....	307
rent of, for joint use by an individual.....	293
Sidings and spur tracks, accounting for, when constructed, moved, or taken up..	157, 158
built for temporary use in handling logs and timber....	539
cost of construction of.....	561
definition of.....	377
temporarily constructed for logging and mining purposes.....	560
Signals and interlocker systems, bonding rails for.....	42
and interlockers, pay of employees operating.....	468
lighting and care of.....	196, 197
lubricating, expense of.....	76
Sleeping cars, repairs, depreciation, and renewals of.....	55
repairs to.....	138
Soldiers, revenue from transportation of.....	325
Soliciting agents for fast freight lines, expenses of.....	338
Special coaches, handled in regular passenger trains, mileage and revenue of.....	646
service locomotives brought to shop for repairs, expense incident to.....	54
service train revenue from use of baggage cars.....	439
theatrical trains, revenue and statistics of.....	631

	Case.
Special trains, distribution of guaranteed revenue from	222, 227
train miles, when passenger revenue is divided.....	221
Spur tracks, built to serve an industry which reimburses company in part.....	523
construction of permanent.....	561
construction and abandonment of temporary.....	560
Stamps, revenue, purchased in connection with construction.....	594
Station buildings, tracks, and land, rent of.....	564
buildings under road and equipment classification, list of.....	529
machinery in, for furnishing electric light for passenger cars.....	603
rooms in, revenue and expense account of rent of.....	625
subway at, temporary track support during construction of.....	599
employees, commissions to storekeepers and others acting in the capacity of.....	64
employees, compensation of, for carrying mail between station and post office.....	628
employees, expenses of.....	205
employees, lighting and care of switch lamps by.....	196, 197
employees, payment for handling freight under contract charged to.....	65
funds lost by burglary and not covered by insurance.....	453
grounds, yards, etc., rent of.....	407
cleaning up garbage and refuse around.....	475
planks laid along track and between rails at stopping points other than..	554
expenses of draping.....	313
freight, joint operation of.....	414
rent for land occupied by.....	306
operated under joint facility arrangements.....	272, 278
rent of space in, for counter.....	97
rent for driveways at.....	406
robbery of, and loss of money advanced agent to pay customs duties....	342
wages of trackmen engaged in unloading coal for use at.....	447
Stationer, salary of, distribution of.....	154
Stationery and printing, adjustment of reserve accounts for.....	155
expenses on account of operating floating equipment....	200
for outside agents, advertising department and fast freight lines.....	244
Statistics, car and train, on tracks of another carrier.....	502
for special trains.....	224
mileage, in connection with trackage rights.....	195
for trains operated on another carrier's line.....	577
passenger, for special theatrical trains.....	631
Stock, damage to, on right of way.....	396
killed by construction trains.....	314
law, twenty-eight-hour, penalties for violation of.....	623
pens and track scales built during construction of a road.....	427
yards, joint facility, in connection with delivery of live stock to.....	263
treatment of revenues and expenses of, when not separable from rail operation.....	26
Stocks, capital, issued without consideration, balance sheet record of.....	581
discount on.....	234
owned, manner of stating, on general balance sheet.....	546
Stop privileges for milling in transit.....	94

	Case.
Storage of unclaimed and damaged freight, rent of building for.....	638
of baggage, expense in connection with.....	341
Store expenses pertaining to material used in additions and betterments work...	378
clearing account for, balances in	61
distribution of storehouse and purchasing expense in connection with.....	184, 185
Storehouse at terminal, material and supplies furnished to roads from.....	412
Strike, amount paid employees for overtime and loyalty during.....	202
Stump puller used in operation of gravel pit.....	500
Subaccounts for depreciation on way and structures.....	40
for frequently altered tracks at mines.....	158
Subway at passenger station, temporary track support during construction of...	599
Suits by Government on account of safety-appliance laws.....	337
garnishment, fees received for answering	229
Superintendence, application of text covering.....	484
apportionment of salaries for, when chargeable to several departments.....	330, 484
explanation of text for, in connection with equipment-repair accounts.....	264
Superintendent of telegraph, rent of office for use of.....	397
Supervision, definition of, in connection with equipment repairs	264
Supplies for cars when furnished by one carrier to another.....	410
for construction, customs duties and other expenses incident to securing.	594
for switch lamps at points where there is no regular switching service....	68
for telegraph operators in offices of traffic officials and in outside agencies.	619
for train operation when furnished to tenant company.....	412
sale of, profits derived from.....	584, 596
Surveys, preliminary to construction of new road.....	6, 578
Suspended employees, amounts paid to, on account of award.....	401
Switch and signal lubrication.....	76
and signal tenders in yard through which pass main-line trains, wages of..	468
engine and crew picking up lumber lost from train of another carrier.	
service of.....	282
keys, collections and refunds for.....	299
lamps, supplies for, where no regular switching service is maintained....	68
labor of lighting and caring for	196, 197
lights, velocipede cars used in attending to.....	508
Switching and road service, division of train-crew expense between.....	71
and yard service, classification of mileage of.....	382
at mines, classification of service and expenses of.....	69
at ore docks, expenses and locomotive mileage for.....	135
charges absorbed, proportion of, paid by another carrier.....	2, 214
charges for interdepartmental service.....	586
charges for transfer of passenger cars at junction by terminal company..	645
charge on empty cars in connection with loaded movement.....	265
charges on empty cars, when charged to revenue and when to operating expenses.....	446
charges paid to industrial companies when service is performed by their locomotives.....	220
charges paid another carrier for moving empty freight equipment....	81
engines used on jointly operated track, rent and repairs of.....	520
in yards, expenses for.....	192

	Case.
Switching locomotive-miles, road locomotive mileage apportionable to.....	70
locomotive moved under own steam to shops, mileage of.....	639
locomotive sent as relief, expenses and mileage of, from shops to point of service.....	639
service by carrier's equipment on industrial tracks at hourly rate.....	228
passenger equipment, treatment in accounts of charges for.....	80
performed for carrier by connecting line.....	218
revenue absorbed and recovered from another carrier.....	214
revenue, additional tariff charges covering per diem incident to.....	602
revenue derived from handling trains of other carriers over home tracks.....	225
revenue derived from interchange of traffic.....	191
revenue derived from leased tram road not a common carrier.....	601
revenue for handling baggage cars.....	440
revenue for handling defective cars.....	206
revenue for handling express cars.....	280
revenue for movement between two sidings under one agent.....	91
revenue from delivery of loaned equipment within switching district..	522
revenue in connection with transferring cars.....	130
revenue in connection with handling cars the lading of which has to be transferred.....	131
revenue from charges absorbed collectible from another carrier.....	2
roads, treatment of hire of equipment on.....	52
road, treatment of hire of equipment and per diem reclaims.....	270
service at wharf, hire of engine and crew in connection with.....	416
service by way trains, extra expense on account of.....	72
service by yard and road locomotives, distribution of expense of..	189, 190, 191
service in connection with weighing cars for another carrier.....	634
service, joint facility accounts for alternate operation of.....	635
service on empty cars not in loaded movement.....	461
service, rent of locomotive in connection with.....	368

T.

Tanks on flat cars for transporting gas supply for coaches.....	481
Tax commissioner, salary of.....	255
Taxes, franchise.....	428
on bridge property payable by lessor owner.....	592
on joint facilities.....	10
on property not used in operation of a railroad.....	16
Telegraph operators in general office, apportionment of salaries of.....	533
superintendent of, rent of offices for.....	397
line, shifting of, in connection with the construction of an overhead bridge.....	315
operator and station agent, distribution of salary of.....	251
operators in offices of traffic officials and in outside agencies, salaries and supplies for.....	619
operators, pay of, when employed in connection with train movement.....	63
operators protecting work trains during construction, salaries of.....	146
Telephone operators in general office, apportionment of salaries of.....	533
Tents and bunks used by timekeepers during construction work.....	478
Terminal company, transfer of cars at junction by, payments for.....	645
joint operation of, apportionable to tenant lines.....	371, 492
yards defined.....	377

	Case.
Terminal leased from steamship company and in part subleased to another.....	280
union station at, operated jointly, locomotive repairs and car cleaning	
at.....	535
Theatrical parties, demurrage on baggage cars used by.....	390
flat rate for use of baggage cars by.....	439
revenue and statistics of special.....	527, 631
Theft, expense of removing car brasses to prevent.....	336
Tickets, printing of coupons and local.....	454
local mileage, apportionment of revenue from, to States.....	84
purchased and used only to an intermediate point, revenue from.....	216
<i>(See also Coupons, mileage.)</i>	
Tide lands, rent of, during construction.....	431
Tie and rail accounts, adjustment and treatment of.....	32, 332
expenses in relation to and adjustment of.....	333, 334
Ties and rails, adjustment of cost in expense accounts of renewals of.....	425
depreciation on, subaccounts for.....	40, 332
improved, cost of.....	562
reserve accounts for replacing.....	32
Timber, sale of, from land acquired.....	432
Timekeepers on construction work, salaries and expenses of.....	478
Title to right of way, second payment to secure.....	437
Tools, roadway, temporarily mounted on cars.....	480
roadway, used during construction, disposal of on completion of work.....	500
used in construction and used later on completed road.....	600
Towing boats, expense incident to.....	212
Track laying and surfacing, dirt ballast used in.....	467
Track scales built during construction of road.....	150, 427
Trackage, charge for delivery of equipment loaned by another carrier.....	522
rent received for.....	365
rents paid for, in addition to maintenance.....	289
rights, apportionment of charge for.....	196
rights, at a specified rate per car.....	268
rights, on tonnage basis, revenue from.....	496
rights on track of mill company, not a common carrier, payment for...	630
rights, rents paid for, on basis of proportion of revenue or upon a fixed	
sum per year.....	120
rights, rents paid for, on basis of a percentage of valuation.....	121
Trackmen engaged in unloading coal at stations, wages of.....	447
injured by freight or passenger train, expense or settlement of injury	
with.....	164
Tracks and yards, payment for use of, not involving any element of operation....	269
abandonment of, in the construction of new double tracks.....	565
alternately operated for joint switching service.....	635
built to serve industry, amount paid for.....	523
built upon property rented from another carrier.....	13
used for construction purposes, maintenance of.....	506
reballasting of, with higher grade of ballast.....	434
damaged by wreck of another carrier operating under trackage agreement.	364
joint facility, rents and expenses of.....	160
jointly operated, rent received for lease of, to another carrier.....	632
joint use of, by electric railway.....	495
joint use of, by mill company, for logs and lumber.....	539

	Case.
Tracks, joint use of, where rent paid is based on valuation and proportion of revenue	372
leased from tram road not a common carrier, switching revenue derived from	601
shifting of, in connection with construction of overhead bridge	315
permission to cross, with a telephone line	128
rent based on valuation, paid for use of	11
rent of land for location of	564
rent paid for use of connecting	405
rents for joint use of sidings, by individuals	293
side, joint, expenses of	308
temporary, built to handle logs and ores, accounting for	158, 560
temporary, in which old material is used, installation of	157
temporary, laid during construction of new line	316
temporary support for, during construction of subway at station	599
temporary use of, by connecting line	74
temporary use of, in turning locomotive on Y	521
used by another carrier at no expense to owner, rent from	14
used by electric line, rent of	495
used in connection with union station facilities	492
Train mileage, of freight trains moving circus cars	241
of log train handled by lumber company on carrier's track	383
of regular trains handling special coaches	646
of trains hauling bad-order cars to shops	642
of trains hauling fire engine and apparatus without charge	642
of train when revenue is only partially credited as passenger revenue	221
of trains operated on carrier's tracks by another carrier	577
of mixed trains	103
trains operated on tracks of another company	502
of train consisting of combination passenger-baggage car	452
of work train operating under running orders	104
Train service furnished other roads, accounting for	284, 286, 408
Trainmen, pay of, when employed on water trains	458
pay of, while attending investigations of accident	445
Trains, circus, special or chartered, revenue derived from handling	224, 223
expense of operating, over connecting line	539
revenue from handling private cars at flat rates in addition to fares on ...	644
revenue from special theatrical	527, 631
revenue from, chartered under guaranty	85, 90, 221, 222, 227
special, for carrying soldiers, commissary, and accouterments, classification of revenue from	325
statistics of, when operated on another carrier's line	577
through service, bill for proportion of expense of	363
Transfer crew taking through freight from yard to point on main line, classification of service of	641
of grain en route, payments to elevator companies for	472
of mail between station and post office, compensation for	628
of passenger cars at junction by terminal company, payments for	645
of passengers and baggage between depots when covered by through rate	320
of freight between cars and ship side, expense of	517
of freight, building of bunker for	499

	Case.
Traveling expenses of station employees.....	205
freight agents on fast-freight lines, expenses of.....	338
Trestles, temporary, used for making fills during construction.....	506
Trusts, equipment, installment payments under.....	354
equipment, balance sheet record of equipment purchased under.....	542
Turntable, use of, when services of engine-house employees are not involved	521
Twenty-eight-hour stock law, penalties for violation of.....	623

U.

Unclaimed and damaged freight, rent of building for storage of.....	638
penalty collections.....	261
portions of mileage tickets and credentials.....	261
wages, accounting for, in general balance sheet	541
wages, disposition of.....	457
Uncollectible freight charges, disposition of.....	588, 539, 608, 614
undercharges and other items arising from waybill corrections	276
Undercharges, freight, and other uncollectible items, disposition of.....	276
Union station, joint operation of.....	492
participation in deficit from operation of.....	329

V.

Velocipede cars for use of station agents and roadway department.....	508
Violations of law, penalties for.....	623

W.

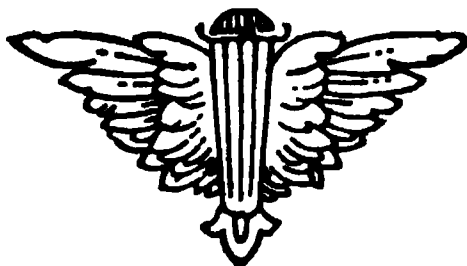
Wages of crew and use of switch engine in picking up lumber lost from freight train of another carrier.....	282
of employees at crossings.....	204
of employees collecting salvage.....	456
of employees delivering equipment to borrowing carrier.....	522
of employees while attending accident investigations.....	445
of engineers and firemen, distribution of.....	189, 190
of flagmen at crossings.....	493
of motormen operating gasoline motor cars.....	73
of rock watchmen, distribution of.....	443
of suspended switchmen when awarded for time suspended.....	401
of trackmen engaged in unloading coal for station use.....	447
of train crew handling tank cars for locomotive water supply.....	458
unclaimed, accounting for, in general balance sheet.....	541
unclaimed, disposition of.....	457
Washouts, purchase of land for replacing roadbed damaged by.....	460
restoring grades on road not properly completed and damaged by....	438
damages due to, as a result of construction work.....	314, 317
Watchmen employed at joint crossing.....	359
rock, distribution of wages of.....	443
Water, damages by overflow of.....	314, 317
for locomotives, amounts paid by other carriers for.....	194
furnished connecting line.....	74
service, salary of superintendent of	201
station, analysis to test water of artesian well at.....	620
stations, temporary, for use during construction.....	501
stations, when classified as a joint facility.....	278

	Case.
Water, supplied to section houses.....	459
supplied to tenants in rented buildings.....	326
supply for locomotives, wages of crew handling special trains for.....	458
trains, wages of crew employed on.....	458
Water lines, use of term "allowance" in connection with.....	24
<i>(See also Boats.)</i>	
Way trains, extra expense of switching done by.....	72
Waybills, corrections on, uncollectible undercharges due to.....	276
Weighing of cars for another carrier, revenue from.....	634
inspector of, at terminal, extra wages of.....	199
Well, artesian, analysis to test water of.....	620
Wharfinger license, cost of.....	309
Wharves and docks, rent of tide lands for building.....	431
switching service at.....	416
transfer of freight between cars and ship side at.....	517
Witness fees in damage suit growing out of charge of attempted burning of shop....	616
Work cars in commercial service, repairs to.....	47, 482
equipment in commercial service.....	47, 482
tools and implements considered as.....	500
train delivering ballast, classification of.....	104
service, repairs of locomotives and commercial cars in.....	413
Wreck, causing damage to bridge, necessitating a temporary pile structure.....	450
clearing, amounts paid for the use of a wreck train of another carrier for..	243
in joint yards, when tenant company is responsible, cost of.....	364
passenger train, expenses of detective agency in connection with.....	331
treatment of loss due to destruction of cars in.....	618, 633
Wrecks and accidents, loss and damage to personal effects, jewelry, etc., of pas- sengers in.....	386

Y.

"Y," use of, in turning locomotives, when service does not require enginehouse employees.....	521
Yard locomotives, expenses and mileage of, between shops and point of service..	639
Yard service, division of expense of switching in connection with.....	189, 190, 191
expenses for switching in connection with.....	192
Yards, car cleaning, cost of cleaning.....	41
definition of terminal.....	377
jointly operated, damage to cars in.....	356
joint operation of.....	161
rents paid for use of, in addition to maintenance.....	289

ADDITIONAL COPIES of this publication may be procured from the **SUPERINTENDENT OF DOCUMENTS**, Government Printing Office, Washington, D. C., at 20 cents per copy. A special rate for a number of copies furnished on application : : : : : : : : : :



DECISIONS UPON QUESTIONS
RAISED UNDER THE
UNIFORM SYSTEM OF ACCOUNTS
FOR
ELECTRIC RAILWAYS

PRESCRIBED BY THE
INTERSTATE COMMERCE COMMISSION
IN ACCORDANCE WITH SECTION 20 OF THE
ACT TO REGULATE COMMERCE

Effective on July 1, 1915

(Supersedes Accounting Bulletin No. 7)

THE INTERSTATE COMMERCE COMMISSION.

CHARLES C. McCHORD, *of Kentucky.*

JUDSON C. CLEMENTS, *of Georgia.*

EDGAR E. CLARK, *of Iowa.*

JAMES S. HARLAN, *of Illinois.*

BALTHASAR H. MEYER, *of Wisconsin.*

HENRY C. HALL, *of Colorado.*

WINTHROP M. DANIELS, *of New Jersey.*

GEORGE B. MCGINTY, *Secretary.*

ORDER.

At a General Session of the INTERSTATE COMMERCE COMMISSION, held at its office in Washington, D. C., on the 25th day of May, A. D. 1915.

The subject of a Uniform System of Accounts to be prescribed for and kept by carriers being under consideration, the following order was entered:

It is ordered, That the interpretations of the accounting classifications contained in the Uniform System of Accounts for Electric Railways, prepared under the direction of this Commission and embodied in printed form to be hereafter known as Accounting Bulletin No. 9, a copy of which is now before this Commission, be, and the same is hereby, approved; that a copy thereof duly authenticated by the Secretary of the Commission be filed in its archives, and a second copy thereof, in like manner authenticated, in the office of the Division of Carriers' Accounts; and that each of said copies so authenticated and filed shall be deemed an original record thereof.

It is further ordered, That the accounting methods directed in the interpretations contained in the said Accounting Bulletin No. 9 be, and they are hereby, prescribed for the use of electric railways subject to the provisions of the Act to Regulate Commerce, as amended, in the keeping and recording of their accounts.

It is further ordered, That July 1, 1915, be, and it is hereby, fixed as the date on which the said Accounting Bulletin No. 9 shall become effective.

By the Commission.

[SEAL.]

GEORGE B. MCGINTY,
Secretary.

INTRODUCTORY LETTER.

INTERSTATE COMMERCE COMMISSION,
DIVISION OF CARRIERS' ACCOUNTS,
Washington, May 25, 1915.

TO ACCOUNTING OFFICERS OF ELECTRIC RAILWAYS:

In formulating the Uniform System of Accounts for Electric Railways, effective July 1, 1914, many of the cases published in Accounting Bulletin No. 7, issued under date of December 23, 1911, were included as a part of the text of the accounts affected. Accounting Bulletin No. 9, which is issued under order of the Commission, contains a revision of the previously published cases which it seems desirable to retain, and other cases which have been decided since the publication of Accounting Bulletin No. 7.

In the preparation of this bulletin the Commission has had the cooperation of the Committee on a Standard Classification of Accounts of the American Electric Railway Accountants' Association.

FRED W. SWENEY,
Chief Examiner of Accounts.

INTERSTATE COMMERCE COMMISSION ACCOUNTING BULLETIN NO. 9.

QUESTIONS AND DECISIONS.

CASE 1.

Query. Is it permissible for electric railways to renumber the primary accounts of the various classifications for their own convenience, provided the Interstate Commerce Commission numbers are maintained for proper reference and report?

Answer. It is permissible for electric railways to renumber the primary accounts of the various classifications for their own convenience. For the sake of uniformity, however, it is recommended that the account numbers of the classifications be used. It is suggested that companies of Class B and Class C, in numbering their operating expense accounts, combine the numbers used in the text of the classification of operating expenses; for example, the text for the account "Maintenance of track and roadway" for companies of Class B is covered by accounts Nos. 2 to 12, inclusive, and the suggested number would be 2/12; the text for account "Maintenance of way" for companies of Class C is covered by accounts Nos. 2 to 19, inclusive, and the suggested number would be 2/19.

CASE 2.

Query. Is it proper to charge assessments for construction and maintenance of paving to income account No. 215, "Taxes assignable to railway operations"?

Answer. No. Account No. 511, "Paving," in the classification for road and equipment accounts provides for the cost of paving incident to original track construction, while account No. 10, "Paving," in the classification of operating expenses provides for repairs of such paving. (*See Cases 85 and 161.*)

CASE 3.

Query. Are carriers required to keep subaccounts for paragraphs (a) to (f) under account No. 22, "Distribution system," of the classification of operating expenses; or will it be satisfactory to show the cost in total under this account?

Answer. The Commission does not require the subdivision of account No. 22, "Distribution system," but any carrier desiring to do so may make subdivisions, and keep corresponding subprimary accounts, provided they do not impair the integrity of the account prescribed.

CASE 4.

Query. To what account should an electric railway charge the wages of employees, and the cost of repairs, fuel, water, lubricants, and waste, incident to the operation of a steam locomotive and of gasolene and steam motor cars used regularly as rail equipment?

Answer. If the equipment is used in revenue service, the wages of employees shall be charged to operating expense account No. 75, "Operation of steam locomotives."

The cost of repairs to the steam locomotive and to the locomotive features of gasoline and steam motor cars shall be charged to account No. 34, "Locomotives," and the cost of repairs to the car features of the motor cars shall be charged to account No. 30, "Passenger and combination cars," or account No. 31, "Freight, express, and mail cars," as may be appropriate.

The cost of fuel, water, lubricants, and waste shall be charged to account No. 75, "Operation of steam locomotives."

If the steam locomotive and the motor cars are used in nonrevenue service, the expenses shall be accounted for in the same manner as those for service cars. (*See Case 182.*)

CASE 5.

Query. Should motors for air governors and pumps on cars be regarded as part of the electrical equipment, and the cost of repairs thereof be charged to account No. 33, "Electric equipment of cars"?

Answer. No. The electric equipment of cars includes the electric *motive* equipment and wiring. The term "car" includes the car body and trucks, electric bells and wiring, electric heaters and wiring, electric lights and wiring, and air-brake equipment and wiring. Repairs to motors for air governors and pumps on cars shall, therefore, be charged to operating expense account No. 30, "Passenger and combination cars"; No. 31, "Freight, express, and mail cars"; No. 32, "Service equipment"; or No. 34, "Locomotives."

CASE 6.

Query. Are electric railways at liberty to open clearing accounts for store expenses and apportion them on a basis of material issued? If so, should only the amounts chargeable to Operating Expenses be charged to account No. 95, "Store expenses," and so reported to the Commission; or should this account also include expenses incurred in connection with material issued for construction and betterments?

Answer. Electric railways are at liberty to open clearing accounts for store expenses and apportion the amounts charged thereto. The total amount chargeable to Operating Expenses shall be charged to account No. 95, "Store expenses." Account No. 95 should not include expenses incurred primarily in connection with material issued for construction or for additions and betterments.

Carriers are at liberty to distribute for their own purposes items covered by this account to other operating expense accounts affected, but in their reports to the Commission the entire amount of store expenses chargeable to Operating Expenses shall be reported under account No. 95.

CASE 7.

Query. Please explain the various accounts "Other operations—Dr." and "Cr.," contained in the classification of operating expenses.

In connection with these accounts, it is understood that account No. 59, "Power purchased," shall show the total amount expended for this purpose, and that the amounts used for lighting shops, carhouses, etc., may be charged to the accounts affected and offsetting credits made to account No. 61, "Power transferred—Credit." Is this correct?

Answer. The accounts "Other operations—Dr." and "Other operations—Cr." are to be used by electric railways which engage in other lines of business, such as the production of power and light for sale. The proportion of operating expense chargeable to the light or other departments shall be credited to the various accounts "Other operations—Cr."

The cost of producing power, irrespective of the manner in which it is used, shall be included in the primary accounts of the railway department. Account No. 59, "Power purchased," covers the cost of power purchased from other companies.

Account No. 61, "Power transferred—Credit," the use of which is optional, may be credited with that proportion of the total of the accounts under the general account Power which the power used for lighting, heating, or other purposes in shops, carhouses, etc., bears to the total power generated and purchased.

CASE 8.

Query. To what account should be charged rent paid for land on which is located a carhouse used as a regular operating carhouse?

Answer. To income account No. 217, "Miscellaneous rents."

CASE 9.

Query. Account No. 550, "Miscellaneous," in the classification for road and equipment, covers, among other things, the cost of preparing and issuing stock certificates and expenses incurred in the disposal of securities. Will it be correct to charge to this account expenses of this nature when they relate to the issuance of bonds by an operating electric railway company for construction and for additions and betterments?

Answer. No. Expenses incident to the issue and sale of bonds shall be handled in accordance with instructions contained in section 3, page 76, of the Uniform System of Accounts for Electric Railways.

CASE 10.

Query. Please explain account No. 87, "Relief department expenses." Also please advise to what account should be charged an employee's wages paid while he is suffering from an injury and is not able to work.

Answer. Account No. 87, "Relief department expenses," is intended to include the cost of operation of and contributions to a relief department or association. Wages paid to an employee while he is disabled by an injury shall be charged to account No. 92, "Injuries and damages," if the injury occurred while the employee was on duty or if the company was responsible. Voluntary contributions made to employees or families of employees on account of sickness or other disability shall be charged to account No. 88, "Pensions and gratuities."

CASE 11.

Query. We have installed in our different carhouses some large storage tanks for compressed air. The compressed air is used in filling air tanks on cars for the operation of brakes. To what account should we charge the maintenance and operation of the storage tanks?

Answer. The cost of maintenance shall be charged to account No. 36, "Shop equipment," and the cost of operation to account No. 67, "Miscellaneous car-service expenses."

CASE 12.

Query. To what account should be charged the cost of printing expense bills, balance sheets, and other stationery used in the handling of express and freight business incident to the operation of an electric railway?

To what account should be charged printing and stationery used by clerks whose salaries are charged to account No. 1, "Superintendence of way and

structures"; account No. 29, "Superintendence of equipment"; account No. 45, "Superintendence of power"; and account No. 63, "Superintendence of transportation"?

To what account should be charged the cost of printing conductors' daily reports (trip sheets) and shortage notices?

Answer. The cost of expense bills, balance sheets, and all other stationery named above shall be charged to account No. 94, "Stationery and printing." By referring to the notes under account No. 94 it will be found that carriers are at liberty to distribute items included therein but that all reports to the Commission must agree with the accounts which are prescribed.

CASE 13.

Query. We have on our lines foreign cars on which we pay a per diem charge. To what account should an expense of this nature be charged? To what account should be charged the maintenance of such cars while on our tracks?

Answer. Per diem on foreign cars shall be charged to account No. 98, "Rent of equipment," and the maintenance of such cars while on your tracks to account No. 30, "Passenger and combination cars"; No. 31, "Freight, express, and mail cars"; No. 32, "Service equipment"; or No. 33, "Electric equipment of cars," as may be appropriate. (*See Case 133.*)

CASE 14.

Query. We have electric cars equipped and used as pile driver, steam shovel, concrete mixer, and stone crusher. To what accounts should be charged the maintenance of these cars and the machinery?

Answer. The maintenance of such cars and machinery shall be charged as may be appropriate to account No. 32, "Service equipment," or account No. 33, "Electric equipment of cars," except when the cars are used on work not chargeable to Operating Expenses. (*See Case 131.*)

CASE 15.

Query. To what account should an electric railway charge commissions and wages paid for the sale of school and other tickets at various stores along the line?

Answer. If the tickets are sold at stores which can be considered stations, charge commissions and wages paid to account No. 68, "Station employees"; if the stores can not be considered stations, charge to account No. 79, "Superintendence and solicitation."

CASE 16.

Query. To what account should be charged the salary and expenses of a supervising engineer in charge of the construction of a new line and buildings, and of the installation of machinery in power plants? It is not clear to us whether these expenses should be charged to account No. 501, "Engineering and superintendence," or charged directly to the account for which incurred, in accordance with Note A.

Answer. If the engineer has direct supervision over all the work in connection with the construction of a new line, it will probably not be possible to apportion his salary and expenses among the various construction accounts. Charges shall, therefore, be made to account No. 501, "Engineering and superintendence," in the classification for road and equipment.

Note A, under account No. 501, provides that, whenever it is possible, the expenses shall be charged directly to the account for which they are incurred,

as, for example, "Power plant buildings" or "Shops and carhouses." However, it is not the intention to insist upon any undue refinement in accounting for such matters.

CASE 17.

Query. We note that the accounts "Interest and discount" and "Taxes," formerly carried by many companies in their general expenses, have been dropped from the operating expenses in the Uniform System of Accounts. What is the proper accounting for such items?

Answer. Interest, discount, and taxes, arising in connection with operations, shall be included in the appropriate accounts of the income classification. Interest in connection with expenditures for road and equipment shall be included in primary account No. 547, "Interest during construction."

CASE 18.

Query. This company's tower wagon is frequently used in connection with the construction of electric lines along new tracks, and it has been our custom to credit to "Stable expenses" the cost of the service. Is this correct?

Answer. The expenses of repair or tower wagons which are frequently used in construction work shall be apportioned between maintenance and construction accounts in accordance with the use to which the wagons are put. If expenses properly chargeable to construction are included in account No. 38, "Vehicles and horses," or account No. 96, "Garage and stable expenses," these accounts shall be credited and the appropriate construction account charged.

CASE 19.

Query. A railway company's shop performs services properly chargeable to various construction accounts and to other companies and persons. To what account should be credited the overhead expense added to the cost of labor and material to cover a portion of miscellaneous shop and storeroom expenses?

Answer. Such expense shall be credited to the proper accounts under Operating Expenses.

CASE 20.

Query. To what accounts should charges be made for—

- (1) Rents paid for the right to locate tracks and to operate cars on private property.
- (2) Amounts paid periodically for privilege of locating poles on private property for high-tension lines.
- (3) Amounts paid periodically to municipalities for the right to operate cars on and across streets.

(4) Amounts paid periodically to boards of public works and county officers for the right to operate cars on and across public highways.

Answer. (1) Charge to account No. 217, "Miscellaneous rents."

(2) Charge to account No. 49, "Transmission system."

(3) and (4) Charge to account No. 215, "Taxes assignable to railway operations," in the income classification.

CASE 21.

Query. To what account or accounts should be credited charges made against operation and construction accounts for electricity furnished by an electric railway company for the use of its shop motors, carhouse lighting, running of construction cars engaged in company service such as building new tracks, etc.?

Answer. The classification of operating expenses does not require a segregation of the cost of power to shops, carhouses, etc., although account No. 61, "Power transferred—Credit," the use of which is optional, is provided for use if such segregation is desired.

The Commission's order provides on page 6 of the Uniform System of Accounts that any carrier may "keep any temporary or experimental accounts the purpose of which is to develop the efficiency of operation: provided, however, that such temporary or experimental accounts shall not impair the integrity of any primary account hereby prescribed." It is therefore permissible for any carrier to ascertain for its own information the cost of power used at shops or carhouses.

The actual cost of power used in operating work cars for construction purposes, such as building new tracks, etc., is properly chargeable to construction accounts, and proper credit shall be given to operating expense general account VII, Transportation for Investment—Cr. (*See Case 59.*)

CASE 22.

Query. A large percentage of the purchases made by the purchasing department of this company is for construction and betterment purposes. Would it be permissible to charge to the appropriate road and equipment accounts such a proportion of the salaries and expenses of that department as would fairly represent the expense of the purchases made primarily for such construction and betterments?

Answer. The classification of operating expenses is intended to cover operating expenses only, and it is proper to charge to the appropriate road and equipment accounts such a proportion of the salaries and expenses of purchasing agents and assistants as would fairly represent the expense of the purchases made for such construction and betterments. In the consideration of this question account No. 95, "Store expenses," should not be overlooked. (*See Case 6.*)

CASE 23.

Query. A company conducting a railway, power, and light business carries its general accounts in the power and light department. A monthly charge for power is made to the street railway department and to the light department. Are the monthly charges for power to the light and street railway departments satisfactory? Is a single balance sheet for the entire business permissible?

Answer. Each company conducting a railway, power, and light business shall include all expenses incident to the production of power used by the railway, power, and light departments in primary accounts Nos. 45 to 62, inclusive, under the general account Power. The proportion of the cost of such power assignable to the power and light departments shall be cleared through primary account No. 62, "Other operations—Cr.," in accordance with instructions contained in section 4, page 17, of the Uniform System of Accounts for Electric Railways.

The Commission has not prescribed a classification of revenues and expenses for auxiliary operations of electric railways.

One balance sheet is all that is necessary for the entire business described in this query.

CASE 24.

Query. To what account should be charged payments made to the Government, on the basis of a specific charge per passenger, for the privilege of stringing wires and operating cars over a public bridge?

Answer. To account No. 215, "Taxes assignable to railway operations." (*See Cases 67 and 163.*)

CASE 25.

Query. What disposition should be made of custom labor or labor of employees in various departments on work entirely outside of railway operation, for which the railroad is reimbursed the wages of the employees, together with the profit on same and the general shop expenses?

What disposition should be made of profits on new material sold to some outside concern from storeroom stock which has been handled in sales account?

Answer. Assuming that the amount involved in the custom labor account is small, and that the expenses have been charged to operating accounts, items covering labor performed for outside parties, together with the percentage added for profit and general shop expenses, shall be debited to account No. 410, "Miscellaneous accounts receivable," and credited to the operating expense accounts originally charged.

The profit from the sales account shall be credited to account No. 212, "Miscellaneous income."

CASE 26.

Query. To what accounts should be charged the cost of new structures and general improvements in a free private park owned by the carrier, and the maintenance expenses of such a park?

Answer. The cost of new structures and improvements of a substantial character shall be charged to account No. 526, "Park and resort property," in the classification for road and equipment.

Maintenance expenses shall be charged to operating expense account No. 81, "Parks, resorts, and attractions."

CASE 27.

Query. A company organized for purely local street railway business and having no electric-light or gas department and no joint arrangement with any other company in the operation of cars, requests information as to the manner in which the accounts "Other operations—Dr." and "Other operations—Cr." in various parts of the classification of operating expenses would enter into its records.

Answer. From the foregoing statement it is evident that the company will not require the accounts "Other operations—Dr." and "Other operations—Cr." It is not expected that a carrier will keep on its books any accounts for which it has no need.

CASE 28.

Query. A light and traction company operates gas, electric-light, and street railway properties. The operating expenses of the three coordinate departments are kept entirely separate, except the general expenses, consisting of clerical salaries, rent, and office supplies. Will it be satisfactory to the Commission if the company should continue carrying expenses of this character in one account covering all departments?

Answer. Yes, provided such account is reported in detail, according to the primary accounts provided under General and Miscellaneous in the annual report form and the proportion chargeable to other departments is reported in account No. 100, "Other operations—Cr."

If the light department is accounted for as an auxiliary operation, the taxes on the property used by such department shall be charged to account No. 215, "Taxes assignable to railway operations." If the property used in the production of gas is carried in account No. 404, "Miscellaneous physical property," the taxes on such property shall be charged to account No. 205, "Net income from miscellaneous physical property," or No. 219, "Net loss on miscellaneous physical property," as may be appropriate.

CASE 29.

Query. We are charging to account No. 59, "Power purchased," the actual cost of electric current generated at our plant (gas, electric-light, and street railway property) and consumed by the railway department. Is this correct?

Answer. The practice above outlined is not in accordance with the requirements of the classification of operating expenses. All expenses incident to the production of power shall be charged to the appropriate primary accounts (Nos. 45 to 62, inclusive) under the railway department general account Power, and the amounts chargeable to the other departments, representing their proportions of the cost of power furnished, shall be cleared through account No. 62, "Other operations—Cr." Account No. 59, "Power purchased," is intended to include amounts paid for power purchased from other companies. (See Case 28.)

CASE 30.

Query. This company operates a sprinkler car for the purpose of sprinkling certain streets and highways on which our track is laid. The city in which this service is performed pays us, as its proportion of the cost of this service, from 15 to 20 cents per sprinkler car-mile run. Please advise to what accounts the corresponding debits and credits should be made.

Answer. The amount received from the city shall be credited to revenue account No. 109, "Miscellaneous transportation revenue."

If the service rendered is performed primarily for revenue purposes, the expense of operating the sprinkler car shall be charged to the appropriate expense accounts under the general account Conducting Transportation. If, however, the service is performed primarily for the benefit of the railway and the amount received from the city is only incidental, the expense of operating the sprinkler car shall be charged to operating expense account No. 11, "Cleaning and sanding track."

In either case the cost of repairing the car shall be charged to account No. 32, "Service equipment."

CASE 31.

Query. Is there not a conflict between account No. 511, "Paving," and account No. 516, "Crossings, fences, and signs," in the classification for road and equipment, so far as they refer to labor and material on crosswalks?

Answer. There is no conflict between the accounts mentioned. Account No. 511 embraces the expense of labor and material used in crosswalks constructed in connection with paving on streets along which the electric road extends; while account No. 516 covers street and highway crossings at other points where it may be necessary to construct entirely new crossings or to provide crossings of an improved character over those previously existing.

CASE 32.

Query. To what operating expense account should be charged the cost of labor and material used in connection with the repair of overhead contacts installed in the trolley wire, and repair of wiring leading from the trolley to magnets, etc., which operate an electric track switch, a device for automatically doing the work of a switchman through the operation of the magnets?

Answer. The cost of material shall be charged to account No. 6, "Special work," and the cost of labor to account No. 8, "Track and roadway labor."

CASE 33.

Query. To what account should be charged an amount paid for rent of land on which a Y or switch is located?

Answer. To account No. 217, "Miscellaneous rents."

CASE 34.

Query. This company has an arrangement with telephone, telegraph, and electric-lighting companies, whereby it pays amounts for the privilege of making attachments to their poles for carrying its wires, and collects from them other amounts for attachments to its poles for carrying their cables and wires. To what accounts should the resulting debits and credits be made?

Answer. Charge the amounts paid to operating expense account No. 23, "Miscellaneous electric line expenses," or to No. 49, "Transmission system," according to the character of line, and credit the amounts received to revenue account No. 117, "Rent of buildings and other property."

CASE 35.

Query. To what account should be charged the cost of *material* used in the construction of a retaining wall for the protection of banks from high tides, it being understood that account No. 8, "Track and roadway labor," is intended to cover the cost of labor expended in such work?

Answer. Operating expense account No. 8, "Track and roadway labor," is intended to cover the cost of *labor* expended in "protecting banks by retaining walls, riprap, piling, piers, dikes, or other means." The cost of *material* used in connection with such work properly chargeable to Operating Expenses shall be charged to account No. 9, "Miscellaneous track and roadway expenses."

Expenditures of the above nature arising in connection with the construction of a new road shall be charged to account No. 504, "Grading," in the classification for road and equipment.

CASE 36.

Query. To what account should be charged the cost of *material* used in the track material, part of which is for use in repairs of track, but most of which is for use in the construction of new track?

Answer. If the amount of the rent is considerable, it shall be apportioned upon an equitable basis, the proportion assignable to construction being included in road and equipment account No. 529, "Other expenditures—Way and structures," and the proportion assignable to repairs included in income account No. 217, "Miscellaneous rents."

If it be impracticable to divide the rent as between construction and repairs, and the amount involved is small, the entire amount may be included in income account No. 217, "Miscellaneous rents."

CASE 37.

Query. This company owns a nine-story building. One-third of the ground floor is used for tracks for cars running into and out of the building, waiting room, ticket office, etc., and the remainder is rented for store purposes, concessions, etc. The general offices occupy about one floor, and the remaining floors are rented for office purposes. Should rents received from tenants be credited as operating revenues or as miscellaneous income?

Answer. Rents shall be credited to revenue account No. 117, "Rent of buildings and other property," if the expense of maintaining and operating the portions rented can not be separated from the expense of maintaining and operating the portion used by the railway company.

In case the expense of maintaining and operating the portions rented can be separated from the expense of maintaining and operating the portion used by the railway company, the rents received shall be included in income account No. 204, "Miscellaneous rent income," and not in Operating Revenues, and the expense of maintaining and operating the rented portions shall be charged against the rents received.

CASE 38.

Query. We are in doubt as to the proper account to be charged for trolley parts, namely, wheels, axles, washers, springs, harps, poles, bushings, etc., and for carbon brushes, carbons, headlight parts, etc. Should these items be charged to accounts Nos. 30 to 34, inclusive, or to account No. 67, "Miscellaneous car-service expenses"?

Answer. Trolley parts are to be considered as electric motive equipment and, if for repairs thereof, shall be charged to account No. 33, "Electric equipment of cars," or No. 34, "Locomotives," as may be appropriate. The first cost of such parts shall be charged to account No. 533, "Electric equipment of cars," or No. 534, "Locomotives."

Headlight parts for cars are to be considered as parts of the cars and, if for repairs, shall be charged to account No. 30, "Passenger and combination cars," No. 31, "Freight, express, and mail cars," or No. 32, "Service equipment," as may be appropriate. The first cost shall be charged to like accounts in Road and Equipment.

Carbons for electric-arc headlights and carbon brushes for motors of cars shall be charged to account No. 67, "Miscellaneous car-service expenses," to which account are chargeable only such items as do not pertain to maintenance of equipment.

The following indicates the line of demarcation between the electric equipment of a car and the car: "Electric equipment" of a car includes the electric *motive* equipment and wiring; the term "car" includes the car body and trucks, electric bells and wiring, electric heaters and wiring, electric lights and wiring, and air-brake equipment and wiring.

CASE 39.

Query. Are Classes B and C of electric railways required to keep all the accounts composing the classifications of road and equipment, operating revenue, income, profit and loss, and general balance-sheet accounts, as is required of Class A companies?

Answer. All electric railways subject to the jurisdiction of the Commission are required to keep their road and equipment, operating revenue, income, profit and loss, and general balance-sheet accounts under the same classifications, no condensed classification of such accounts being provided for companies of Class B or Class C.

CASE 40.

Query. What is meant by the term "car hours" as used in the mileage, traffic, and miscellaneous statistics of the form for annual report, particularly with reference to "passenger car hours"?

Answer. "Passenger car hours" include not only the actual time while in revenue service, but also the time consumed in running from carhouses to points

where regular service is begun, time lost between trips, and time lost on account of delays caused by blockades, parades, etc. The entire time during which the cars are in charge of the motormen and conductors is to be reported as passenger car hours.

CASE 41.

Query. Is it permissible to apportion store and stable expenses among the water, light, and railway departments in proportion to the services rendered by the storeroom and the stables?

Answer. Yes. The proportion of store and stable expenses chargeable to the water and light departments shall be credited to account No. 100, "Other operations—Cr.," it being the intention that the "other operations" accounts shall apply in connection with all general and miscellaneous accounts.

Carriers are at liberty to distribute store and stable expenses of the railway department to the various operating expense accounts affected, but for the purpose of the annual reports the amounts distributed shall be reported under account No. 95, "Store expenses," and No. 96, "Garage and stable expenses," and such amounts eliminated from the accounts to which they were originally distributed.

In this connection attention is called to the fact that no portion of store expenses or stable expenses which is properly chargeable to Road and Equipment shall be included in accounts Nos. 95 and 96, as these accounts are intended to include operating expenses only. (*See Case 6.*)

CASE 42.

Query. A company is required by its franchise to widen one of the streets upon which it operates, and pay all expenses of excavating, moving back and resetting curbs, constructing new catch basins with sewer connections, adjusting all sidewalks and crosswalks disturbed, readjusting all pole lines, hydrants, etc., owned by other corporations, and laying a new asphalt pavement between the brick-paved railroad strip and the curbs. Would it be proper to consider this as an incidental cost of the road itself and chargeable to account No. 502, "Right of way"; or should the cost be charged to account No. 550, "Miscellaneous"?

Answer. The cost shall be charged to account No. 502, "Right of way," except cost of paving, which shall be charged to account No. 511, "Paving." (*See Cases 84 and 134.*)

CASE 43.

Query. Is it intended that account No. 24, "Buildings, fixtures, and grounds," shall be used solely for repairs of owned buildings, or may the cost of repairs to rented buildings be included?

Answer. Account No. 24, "Buildings, fixtures, and grounds," is intended to include cost of repairs of owned buildings or buildings held under long-term leases. The cost of repairs of buildings rented from month to month is not to be included in this account, but shall be charged to the account to which the rent is charged.

CASE 44.

Query. Should repairs to rented passenger waiting rooms where tickets are sold be charged to account No. 69, "Station expenses"?

Answer. Yes. (*See Case 43 respecting repairs to buildings held under long-term leases.*)

CASE 45.

Query. We have a contract with another carrier under which the other carrier provides cars and maintains them for the purpose of furnishing through service. While these cars are on our tracks we pay all expenses of operation.

The junction point is a fare limit. Each company collects fares for travel upon its own tracks. We retain all fares collected from passengers who travel only between points on our line, but we pay to the other company a certain part of the fares collected by our company from passengers who travel between points on our line and points beyond the junction. How shall we charge amounts paid under this contract?

Answer. As the payor receives only the use of equipment the amounts so paid shall be charged to account No. 98, "Rent of equipment."

CASE 46.

Query. In account No. 519, "Poles and fixtures," in the classification for road and equipment is the statement "This account shall include the cost of * * brackets and other pole fixtures; * * structures for supporting the overhead electric construction." In account No. 521, "Distribution system," in the same classification is the statement "This account shall include the cost of labor and material used in constructing the distribution system, including * * overhead trolley lines, including cost of trolley, guard, span, strain, supplementary, and other wires." Since brackets used for supporting trolley wires are analogous to span wires, should not the cost of such brackets be charged to account No. 521, "Distribution system"?

Answer. Brackets used for supporting trolley wires are distinctly pole fixtures and shall be charged to account No. 519, "Poles and fixtures."

The phrase "structures for supporting the overhead electric construction" in account No. 519, is intended to cover such structures as steel catenary bridges, which are used by some railways to carry the double-track overhead lines and which have two side towers and a connecting truss built of light angles and channels.

CASE 47.

Query. Our master mechanic asks that we define the term "electric locomotive" in relation to the classification of operating expenses, his desire being to know whether the build of the machine or the use to which it is put governs. We have a machine with standard express car body, but with low-speed high-power motor equipment, which is used in handling ballast cars, flat cars, etc., in maintenance work, and sometimes in hauling such freight as lumber, wood, etc., in car lots.

Answer. In defining the term "electric locomotive" the build of the machine, rather than the use to which it is put, should govern. If it is so arranged that it can carry freight or passengers within itself it shall be considered a car.

This distinction seems necessary, as it frequently happens that regular passenger cars, freight cars, or work cars are used to haul other cars. To treat them as locomotives, when so used, would undoubtedly lead to confusion.

CASE 48.

Query. To what account in the classification for road and equipment should be charged the cost of electric headlights for passenger cars?

Answer. To account No. 530, "Passenger and combination cars." Account No. 533, "Electric equipment of cars," is intended to include only the electric motive equipment. (See Case 5.)

CASE 49.

Query. The classification of operating revenues provides in account No. 101, "Passenger revenue," under the caption Revenue from Transportation: "To this account shall be charged amounts paid for * * * tickets and transfers redeemed." In Note B it is provided that all tickets may be credited to an open account and this account charged when tickets are collected. In case tickets are redeemed, should they not be charged to the open account to which the sale has been credited?

Answer. When receipts from the sale of tickets are credited to a suspense account, that account shall also be charged with amounts paid for tickets redeemed.

CASE 50.

Query. Note B under revenue account No. 101, "Passenger revenue," states that the proceeds from the sale of mileage books are to be carried to that account as they are honored for transportation. We have always handled the sale of these tickets by crediting directly to revenue, the same as we would round-trip tickets. Is it required that interurban companies reporting to the Commission shall follow the directions in account No. 101?

To what account should be credited the value of coupons from mileage books which for any reason remain unrepresented?

Answer. It is not permissible to credit revenue account No. 101, "Passenger revenue," with receipts from mileage books at the time of sale. It is necessary to credit, at the time of sale, the receipts from mileage books to a suspense account under balance-sheet account No. 446, "Other unadjusted credits," and, as the mileage is honored, to charge such account and credit account No. 101, "Passenger revenue," in accordance with Note B of that account.

The value of unrepresented mileage coupons, the validity of which has expired, shall be credited to account No. 101, "Passenger revenue."

CASE 51.

Query. Should the cost of tools used in the maintenance of way and structures, including those used in the repairs of bridges and buildings, interlocking systems, transmission and distribution systems, and the cost of crucibles, etc., used in connection with a thermit welding machine, be charged to account No. 9, except as provided in accounts Nos. 11 and 12?

Answer. Account No. 9, "Miscellaneous track and roadway expenses," includes only the "cost of roadway tools when chargeable to Operating Expenses; material used in repairing tools, velocipedes, hand and push cars, implements, flags, lanterns, etc., used when repairing track and roadway." This would include crucibles, etc., used in connection with a thermit welding machine.

The cost of renewing and repairing tools shall be charged to account No. 15, "Bridges, trestles, and culverts," if the tools are used in the maintenance of bridges; to account No. 17, "Signal and interlocking apparatus," if used in the maintenance of interlocking systems; to account No. 23, "Miscellaneous electric line expenses," if used in the maintenance of the distribution system; to account No. 24, "Buildings, fixtures, and grounds," if used in the maintenance of buildings named in that account; to account No. 46, "Power plant buildings, fixtures, and grounds," if used in the maintenance of power plant and substation buildings; and to account No. 49, "Transmission system," if used in the maintenance of the transmission system.

It is not necessary to apportion among a number of accounts the cost of maintenance of tools used for general purposes.

CASE 52.

Query. A conductor on one of our cars, in discharge of his duty, ejected an unruly passenger who refused to pay fare. In doing so the conductor was injured to such an extent that he was unable to attend to his duties for some time. It has been decided to pay the conductor for all the time lost. Is this a proper charge to account No. 92, "Injuries and damages" ?

Answer. The payment shall be charged to account No. 92, "Injuries and damages." (See Cases 10 and 110.)

CASE 53.

Query. Please advise if premiums paid to guaranty companies for bonds furnished municipalities in accordance with franchises granted for the privilege of constructing and operating railroads on the streets should be charged to account No. 93, "Insurance," in the classification of operating expenses. The bonds referred to are given for the faithful performance of all the terms of the franchise, including the construction of the line, the payment of a percentage of the gross receipts, and the maintenance and operation of the line. The bonds are continuous and run during the life of the franchise.

Answer. Such payments shall be charged to account No. 550, "Miscellaneous," in the classification for road and equipment, when they are incurred in connection with construction work; and to account No. 89, "Miscellaneous general expenses," in the classification of operating expenses, when they are incurred in connection with operation.

CASE 54.

Query. This company uses large numbers of portable iron signs, which are hooked on the fronts of the cars to indicate the destination. They are in nowise permanent fixtures of the cars, but are used on different cars as occasion requires. On some of our new cars we have adjustable signs which consist of rolls with various destinations painted thereon and are essential parts of the cars themselves. To which accounts should the cost of these signs be charged?

Answer. The portable signs shall be charged to account No. 67, "Miscellaneous car-service expenses." The first cost of the adjustable signs attached to the cars shall be charged to account No. 530, "Passenger and combination cars," and the maintenance to account No. 30, "Passenger and combination cars."

CASE 55.

Query. Should the wages of engineers and other employees engaged in operating power plants and substations be charged to repair accounts when they are engaged in making minor repairs during their regular hours?

Answer. It is not intended that any portion of the wages of engineers and other employees engaged in station operation shall be charged to repair accounts when they are engaged incidentally in making minor repairs during their regular shifts.

As a general rule, it is not necessary to distribute the wages of a regular employee to the several accounts affected if part of his time is devoted only incidentally to repair work. If, however, he is required to devote a considerable part of his time to such repairs, his wages shall be apportioned to the proper accounts in accordance with the work performed. (See Cases 109, 181, and 187.)

CASE 56.

Query. To what account should be charged the cost of printing tariffs, and the cost of printing orders for conductors and motormen in connection with transportation rules, regulations, etc.?

Answer. To account No. 94, "Stationery and printing."

CASE 57.

Query. We have a track that is "plain back filled," that is, filled with crushed stone to the top of the rails. Strictly speaking, it is not ballast, although in many instances, it would be hard to distinguish it from ballast. Should the cost of this filling be charged to account No. 2, "Ballast," or to account No. 9, "Miscellaneous track and roadway expenses"?

Answer. The cost of filling track with crushed stone to the top of the rails shall be charged, when in connection with maintenance, to account No. 2, "Ballast," as regards material, and to account No. 8, "Track and roadway labor," as regards labor.

CASE 58.

Query. Under our contract for carrying the mail we are required to transfer the mail at certain points from the cars to the post-office. To what account shall we charge the cost of this service?

Answer. Specific payments for this service shall be charged to account No. 78, "Other transportation expenses."

CASE 59.

Query. Since commencing operations we have considered the policy of charging our several departments at a rate per car-hour for the use of work cars in order that the department head would have it brought forcibly to his attention that the work cars should be used as little as possible. Is this permissible?

If equipment is rented to a contractor, the company furnishing employees to operate the same, to what account shall be credited the amounts received from the contractor?

Answer. No charge shall be made against maintenance or other operating accounts for the use of work cars. If work cars are used on construction work by the company itself, and a charge is made against construction accounts therefor, it shall be as near actual cost as possible, and credit shall be given to operating expense general account Transportation for Investment—Cr.

When a charge is made against a contractor for use of equipment, credit shall be given to revenue account No. 116, "Rent of equipment." The wages of conductors, motormen, and other employees engaged on work cars rented to contractors shall be charged to account No. 66, "Miscellaneous car-service employees." (See Cases 21 and 30.)

CASE 60.

Query. Notes under operating expense accounts Nos. 3, 4, 5, 6, and 7 provide that the cost of labor shall be charged to account No. 8. If this refers to the first handling of material from cars or boats to yards or docks, it will be difficult, if not impossible, to separate that portion properly chargeable to Operating Expenses from that chargeable as expenditure for road, as it will not be possible when the material is received to tell which part of the material will be used in repairs and which part in construction. This labor has always been considered as part of the cost of material. Should it not be so considered?

Answer. The notes under the accounts mentioned do not refer to the first handling of material from cars or boats to yards or docks, but to the unloading at the points where the material is to be used. The cost of the first handling is properly chargeable to the cost of the material.

CASE 61.

Query. Should the cost of labor and materials, such as special grubbing tools, liquid weed-killer, and sprinkling devices, used in clearing track and right of way of weeds, be charged to account No. 11, "Cleaning and sanding track"?

Answer. The cost of material shall be charged to account No. 9, "Miscellaneous track and roadway expenses," and the cost of labor to account No. 8, "Track and roadway labor."

CASE 62.

Query. To what account should be charged the cost of planks used in crossings of steam railroads in city streets?

Answer. If the planks are used in maintenance, the cost shall be charged to account No. 16, "Crossings, fences, and signs," in the classification of operating expenses; if used in construction, to account No. 516, "Crossings, fences, and signs," in the classification for road and equipment.

CASE 63.

Query. To what account should be charged the cost of wooden plugs used for filling spike holes in ties?

Answer. To account No. 8, "Ties."

CASE 64.

Query. Should the wages of levermen on derailleurs at steam railroad crossings be charged to "Miscellaneous car-service employees" or to "Operation of signal and interlocking apparatus"?

Answer. To account No. 72, "Operation of signal and interlocking apparatus."

CASE 65.

Query. To what account should be charged cost of removing car ashes from cars to dump?

Answer. If removal is made by company employees, the cost shall be charged to account No. 70, "Carhouse employees"; otherwise to account No. 67, "Miscellaneous car-service expenses."

CASE 66.

Query. Please advise whether the salaries of accounting department clerks engaged in handling the accounts of the maintenance of way, mechanical, and stores departments should be charged to account No. 84, "Salaries and expenses of general office clerks," or apportioned to accounts No. 1, "Superintendence of way and structures," No. 29, "Superintendence of equipment," No. 45, "Superintendence of power," and No. 95, "Store expenses."

Answer. Assuming that the clerks in question, although exclusively engaged in handling the accounts pertaining to separate departments, are employed in the general accounting office, their salaries shall be charged to account No. 84, "Salaries and expenses of general office clerks."

CASE 67.

Query. Should amounts paid to cities for licenses to operate cars within city limits, and payments based on percentage of gross receipts in accordance with the terms of franchises, be charged as taxes?

Answer. Payments to municipalities for privilege of operating cars (license tax) and payments of a percentage of operating revenues in accordance with terms of franchises (franchise tax) shall both be charged to account No. 215, "Taxes assignable to railway operations." (*See Cases 20, 24, and 163.*)

CASE 68.

Query. A ruling is desired as to the proper accounts to be charged with amounts paid for telephone service, such as for tolls, and for rent of private lines and operating systems. They appear to be in the nature of miscellaneous expenses chargeable to the department for whose benefit the expenses are incurred.

Answer. Rent of telephone lines used primarily for the operation of cars shall be charged to account No. 73, "Operation of telephone and telegraph lines"; amounts paid for local telephone service at stations to account No. 69, "Station expenses"; and all other telephone expenses to account No. 89, "Miscellaneous general expenses." (*See Cases 149, 167, and 235.*)

CASE 69.

Query. At different points on our line we have electric lights, some of which have been installed in accordance with our franchise agreements, others because of the necessity of providing lights for the safety of our passengers. To what account should be charged the labor and material used in repairing and renewing such lights?

Answer. The cost of repairing and renewing lights along tracks, either in accordance with franchise agreements or for the purpose of avoiding accidents, shall be charged to account No. 78, "Other transportation expenses." In the case of lights installed at stations owned by a company, the cost of repairing and renewing wiring in connection with such lights shall be charged to account No. 24, "Buildings, fixtures, and grounds," and the cost of renewing the lamps to account No. 69, "Station expenses."

If, however, the station is rented, the entire expense shall be charged to account No. 69. If it is not practicable to separate the expense of renewing and repairing the wiring from that of renewing the lamps at stations owned by a company, the entire cost may be included in account No. 69.

CASE 70.

Query. Our franchise for the use of a county bridge carries an obligation to pay a proportion of the cost of bridge maintenance and operation. How shall we charge such payments?

Answer. The cost of maintaining a bridge used under long-term lease or franchise shall be treated the same as maintenance of property owned. With this understanding, the maintenance of the bridge in question shall be charged to account No. 15, "Bridges, trestles, and culverts," and the cost of any paving done shall be charged to account No. 10, "Paving." The wages of bridge tenders shall be charged to account No. 66, "Miscellaneous car-service employees."

CASE 71.

Query. What is the proper disposition of the cost of patterns used in making castings? In some cases these patterns were made for cars being built, and are now carried in stock and used for making repair parts when necessary. In other cases the patterns were made solely for the casting of repair parts. Is it proper to charge the cost of the patterns to the cost of the equipment built, in the first instance, and to the cost of repairing the equipment in the second instance; or should the patterns be treated as hand tools and machine tools?

Answer. The cost of patterns originally made for cars being built by a company shall be included in the cost of the equipment. The cost of patterns made expressly for the casting of repair parts shall be included in the cost of repairing equipment.

CASE 72.

Query. Referring to accounts No. 507, "Rails, rail fastenings, and joints," and No. 508, "Special work," in the classification for road and equipment, kindly advise to which of these accounts should be charged the cost of guard rails placed around plain curves in main tracks where there are no frogs, switches, cross-overs, or other special work in connection therewith. Does account No. 508, "Special work," include the cost of any guard rails except those used in connection with railroad crossings, cross-overs, frogs, switches, turn-outs, or other parts of the track made to order?

Answer. The cost of guard rails placed around plain curves in main tracks where there are no frogs, switches, cross-overs, or other special work in connection therewith shall be charged to account No. 507, "Rails, rail fastenings, and joints." Account No. 508, "Special work," shall include the cost of only such guard rails as are used in connection with railroad crossings, cross-overs, frogs, switches, turn-outs, and other parts of the track made to order.

CASE 73.

Query. We are required by city ordinance to cut and restore overhead wires when it is necessary to move any building across or along our streets. Is this a charge proper to Operating Expenses or to Income?

Answer. Such expenses shall be charged to account No 23, "Miscellaneous electric line expenses."

CASE 74.

Query. This company owns ferry slips at a wharf in connection with which we have considerable maintenance expenses. Should we charge to a subaccount under No. 19, "Miscellaneous way expenses," or to account No. 24, "Buildings, fixtures, and grounds"? At the end of the wharf are fuel-oil tanks for the operation of our ferry. Should we charge maintenance expenses to account No. 19, "Miscellaneous way expenses," or to account No. 24, "Buildings, fixtures, and grounds"?

Answer. Expenses of maintenance of ferry slips and ferry fuel-oil tanks shall be charged to account No. 24, "Buildings, fixtures, and grounds."

CASE 75.

Query. Is it necessary for a carrier operating a ferry to separate its general and miscellaneous operating expenses between the railway and the ferry?

Answer. No.

CASE 76.

Query. To what account should be charged tools other than track tools, such as wheelbarrows, hose, level boards, paving hammers, hydrant wrenches and reducers, mattocks, hand axes, rail tongs, etc., purchased for construction work?

Answer. These tools shall be charged to the construction work for use upon which they are issued. If, after the completion of the work, the tools have any salvage value, it shall be credited to the work to which the tools were originally charged, and charged to the work to which the tools are thereafter applied. (*See Case 157.*)

CASE 77.

Query. Kindly advise the proper distribution of—

(1) Trustees' commissions and fees for paying out bond interest on coupons, and expenses, including registrars' fees, connected with same.

(2) Cost of general audit of company's books by an audit company.

Answer. The items described should be charged as follows:

(1) To account No. 225, "Miscellaneous debits."

(2) To account No. 89, "Miscellaneous general expenses."

CASE 78.

Query. Is it intended that items properly chargeable to account No. 37, "Shop expenses," in the classification of operating expenses, are to remain as charged; or may they be distributed in the same manner as store expenses?

Answer. It is not intended that the items contained in account No. 37, "Shop expenses," shall be distributed to the various operating accounts benefited thereby. However, if any portion of shop expenses is properly chargeable to Road and Equipment, such portion shall be deducted from account No. 37, "Shop expenses," since that account should represent only the portion chargeable to Operating Expenses.

CASE 79.

Query. Is there any objection to the creation of a reserve to take care of settlements of loss and damage claims filed by shippers of freight? The intention is to make charges of an arbitrary amount, so as to take care of claims of this nature during the period within which the damage is done.

Answer. There is no objection to including in operating expenses each month a proportion of the total amount which it is estimated will be necessary to expend on account of loss and damage claims, provided that the charges are adjusted annually so far as practicable.

CASE 80.

Query. To what account should be charged the salaries of clerks employed in compiling data and making out reports to public service commissions, State boards of tax commissioners, Federal departments, and others? To what account should be charged the salaries of engineers employed in compiling data in regard to way and structures for such reports?

Answer. The salaries of clerks shall be charged to account No. 84, "Salaries and expenses of general office clerks." The salaries of engineers shall be charged to account No. 1, "Superintendence of way and structures."

CASE 81.

Query. To what account should be charged amounts paid to the United States Government for the right to operate a line across a government reservation?

Answer. If the cars have a private right of way over the government reservation, the payments shall be charged to account No. 217, "Miscellaneous rents." If the line runs in a highway which is used by the public, the payments shall be charged to account No. 215, "Taxes assignable to railway operations." (See Cases 20 and 24.)

CASE 82.

Query. Frequently when streets upon which rails are laid are torn up for repairs it is necessary for passengers to change from cars on one side of the break in the street to cars on the other side, and men are stationed at the break to care for the cars, to assist the passengers if required, and to perform any other duties in connection therewith. The men employed for this work are not regular car-service employees. To what account should their wages be charged?

Answer. To account No. 66, "Miscellaneous car-service employees."

CASE 83.

Query. To what account should be charged the cost of filling land?

Answer. The cost of filling land, in the ordinary acceptation of the term, shall be added to the cost of the land. If, however, the filling is for the purpose of grading the roadbed, the cost shall be charged to account No. 504, "Grading."

CASE 84.

Query. A town, in granting a franchise for the construction of a new line on the streets, requires the railway company to set back the curbs and flagstones. The work is not necessary for the construction of the line, as there is plenty of room on the highway without setting back the curbs. To what account in the classification for road and equipment should such expenditures be charged?

Answer. Expenditures of this nature shall be charged to account No. 502, "Right of way." In case there is any paving to be done in connection with this work, the cost of such paving shall be charged to account No. 511, "Paving." (See Case 42.)

CASE 85.

Query. To what accounts should be charged items for—

(1) City assessment for street grade crossing our right of way, being our proportion for the right of way abutting on the street and extending back from the street.

(2) City assessment for new trunk sewer, being the amount charged us for our proportion based on right of way through the section served by the sewer.

(3) City assessment for new street pavement, being our proportion of paving inside and alongside our tracks on streets on which our track is laid, the streets not having been previously paved.

(4) Cost of installing new crossings when new streets are opened.

Answer. These items shall be charged as follows:

(1) To account No. 516, "Crossings, fences, and signs."

(2) To account No. 502, "Right of way." (See Case 161.)

(3) To account No. 511, "Paving." (See Cases 2 and 161.)

(4) To account No. 516, "Crossings, fences, and signs."

CASE 86.

Query. To what account should be charged the expense of an examination of titles of real property and other questions affecting the validity of an issue of bonds?

Answer. If such expense is incurred in connection with the issue of the bonds it shall be charged to account No. 418, "Discount on funded debt," and written off by charges to income account No. 222, "Amortization of discount on funded debt," over the life of the bonds, in accordance with the instructions in section 3, page 76, of the Uniform System of Accounts for Electric Railways.

If the expense has been incurred in connection with a suit to test the validity of the bond issue it shall be charged to account No. 86, "Law expenses."

CASE 87.

Query. A State assesses railway corporations each year a certain amount graduated on basis of capital stock. To what account should the assessment be charged?

Would this apply to a franchise assessment of a percentage of gross earnings, levied under city ordinance?

Would it apply to what is known as a license tax, levied by a city and based on a certain fixed charge per car for the number of cars operated in the city?

Answer. State taxes assessed against railway corporations, the amounts of which are graduated on a basis of capital stock, franchise taxes levied on operating revenues, and license taxes based on the number of cars operated in a city, shall be charged to income account No. 215, "Taxes assignable to railway operations."

CASE 88.

Query. By reason of the construction of a sewer in a street occupied by electric railway tracks, it becomes necessary to lay a temporary track around the break in the regular line in order to maintain the regular running schedule and avoid compelling the passengers to make a change of cars at that point. Should the cost of laying and removing the temporary track be charged to account No. 19, "Miscellaneous way expenses," or to account No. 67, "Miscellaneous car-service expenses"?

Answer. The cost of temporary track made necessary by the removal of tracks for the purpose of laying a sewer shall be charged to account No. 19, "Miscellaneous way expenses."

CASE 89.

Query. To what account should be charged the cost of putting in iron-pipe culverts for drainage purposes?

Answer. To account No. 515, "Bridges, trestles, and culverts," in the classification for road and equipment.

CASE 90.

Query. We are constructing a new power station which is to be operated by steam turbines. The water for the condensers in this station is to be obtained from a pool to be formed in a near-by river by a dam at or near the station. To what account should be charged the cost of the dam and the pipes conveying the water from the pool to the condensers?

Answer. The cost of the dam as well as the cost of the pipes used in conveying the water from the pool formed by the dam shall be charged to account No. 541, "Dams, canals, and pipe lines," in the classification for road and equipment.

CASE 91.

Query. To what account should be credited the proceeds of an annual tax voted to a carrier by the districts through which the carrier operates?

Answer. If the annual contribution is for the purpose of aiding in the construction or acquisition of property, the credit shall be made to account No. 426, "Grants in aid of construction." If it is made to meet an operating deficit, the credit shall be made to account No. 211, "Contributions from others."

CASE 92.

Query. To what account in the classification for road and equipment should be cleared rent and operation of equipment (rented locomotive, pile driver, etc., used in bridge and track work)?

Answer. Rent and operation of equipment shall be cleared to account No. 529, "Other expenditures—Way and structures," unless the expenses can be readily apportioned and included in the primary accounts to which the cost of the specific work is chargeable.

CASE 93.

Query. To what account should be credited revenue from express traffic handled under a contract with an express company, the railway company owning the cars and charging the express company on a mileage basis?

Answer. To account No. 105, "Express revenue," in the classification of operating revenues. The revenue received covers compensation for the handling of express traffic exclusively and should be treated accordingly, regardless of the arrangement or the basis upon which the compensation is fixed.

CASE 94.

Query. Would it be proper to charge to road and equipment account No. 508, "Special work," the cost of labor and material used in running a wire from a substation to several of our sidings for the purpose of turning on electric switch lights at said sidings by means of a switch at the substation?

Answer. No. The cost shall be charged to account No. 517, "Signals and interlocking apparatus," in the classification for road and equipment. However, it is not the intention that carriers should be required to capitalize insignificant amounts.

CASE 95.

Query. To what accounts should be charged the cost of maintenance and operation of machinery in air-compressor stations, used for charging storage tanks for air brakes?

Answer. The cost of maintenance shall be charged to account No. 36, "Shop equipment," and the cost of operation to account No. 67, "Miscellaneous car-service expenses."

CASE 96.

Query. To what accounts should be charged the cost of construction and maintenance of conduits and fixtures built from a compressor station, located a block or so away from the main line, to a point alongside of the track, the conduits being used for conveying the compressed air to be used on cars on account of air brakes?

Answer. The cost of construction shall be charged to account No. 536, "Shop equipment," in the classification for road and equipment, and the cost of maintenance to account No. 36, "Shop equipment," in the classification of operating expenses.

CASE 97.

Query. In a certain system of side-bracket construction, the trolley wire is suspended by a short wire attached to the bracket. Is this piece of wire a part of the bracket and so chargeable to account No. 20, "Poles and fixtures," or is it a span wire and so chargeable to account No. 22, "Distribution system"?

Answer. The wire is a part of the bracket, and the cost of maintenance shall be charged to account No. 20, "Poles and fixtures," in the classification of operating expenses.

CASE 98.

Query. Should not account No. 505, "Ballast," in the classification for road and equipment, provide for a separate account to cover ballast produced, as is provided in the classification of operating expenses?

Answer. If the entire cost of ballast produced is chargeable to Road and Equipment, it could be properly charged to account No. 505, "Ballast." If, however, the ballast produced is chargeable partly to Road and Equipment and partly to Operating Expenses, Note A, under account No. 2, "Ballast," in the classification of operating expenses, would apply.

CASE 99.

Query. Where track has been laid in an unimproved street under an ordinance which requires the carrier to pay its proportion of the paving when the city paves, should not this proportion be charged to account No. 511, "Paving," in the classification for road and equipment, even when the proportion is included in a special assessment and spread over a period of years?

Answer. Yes. (See Case 185.)

CASE 100.

Query. Should the cost of macadamizing a road or filling a dirt road up to the head of the rail be considered a paving cost and charged to account No. 511, "Paving," or should it be charged to account No. 510, "Track and roadway labor"?

Answer. For the cost of labor and material used in macadamizing, charge shall be made to account No. 511, "Paving"; for the cost of filling the dirt road between the tracks up to the head of the rail, charge for the material used shall be made to account No. 505, "Ballast," and charge for the labor shall be made to account No. 510, "Track and roadway labor."

CASE 101.

Query. Is it proper to charge account No. 515, "Bridges, trestles, and culverts," in the classification for road and equipment, with the cost of a trestle used to handle coal, when the coal is handled in the carrier's own cars and over its own road, and the trestle is used to secure sufficient elevation to dump the coal into coal pockets?

Answer. If the coal pocket is primarily for power plant or generating uses, the cost of the trestle shall be charged to account No. 539, "Power plant buildings." If the coal pocket can not be considered a part of the power plant, the cost of the trestle shall be charged to account No. 524, "Stations, miscellaneous buildings, and structures." (See Case 105.)

CASE 102.

Query. When rails are drilled at the mill for bonding and the cost is included in the price paid for the rails, should the entire cost be included in account No. 507, "Rails, rail fastenings, and joints," in the classification for road and equipment?

Answer. Yes.

CASE 103.

Query. To what account should be charged the amount of conductors' remittances stolen from a safe provided by a carrier?

Answer. To account No. 89, "Miscellaneous general expenses," in the classification of operating expenses.

CASE 104.

Query. When the general office is a part of the carhouse and occupies, say, the second story, how should the cost of the general office be charged?

Answer. The entire cost of the building shall be charged to account No. 523, "Shops and carhouses," in the classification for road and equipment.

CASE 105.

Query. Should the cost of a coal pocket be charged to account No. 539, "Power plant buildings," in the classification for road and equipment, as a building used in power generation, or to account No. 523, "Shops and carhouses," as a storehouse, or to account No. 524, "Stations, miscellaneous buildings, and structures," as a building not provided for otherwise?

Answer. If the coal pocket is primarily for power plant or generating uses, its cost shall be charged to account No. 539, "Power plant buildings." If the coal pocket can not be considered a part of the power plant, the cost shall be charged to account No. 524, "Stations, miscellaneous buildings, and structures." (See Case 101.)

CASE 106.

Query. To what account should be charged the cost of snow plows, such as nose plows, etc., attached to cars?

Answer. The cost of snow plows attached to cars shall be charged, under the classification for road and equipment, to account No. 530, "Passenger and combination cars"; No. 531, "Freight, express, and mail cars"; No. 532, "Service equipment"; or No. 534, "Locomotives," according to the class of equipment to which the attachments are made.

The cost of repairing snow plows attached to cars shall be charged, under the classification of operating expenses, to accounts No. 30, "Passenger and combination cars"; No. 31, "Freight, express, and mail cars"; No. 32, "Service equipment"; or No. 34, "Locomotives," according to the class of equipment to which the plows are attached.

CASE 107.

Query. To what account should be charged the cost of terminal houses erected to contain the apparatus necessary in connection with the change from high-tension overhead to underground line?

Answer. The cost of original installation shall be charged to account No. 544, "Transmission system," in the classification for road and equipment. The cost of repairs shall be charged to account No. 49, "Transmission system," in the classification of operating expenses.

CASE 108.

Query. When a substation attendant who has little or nothing to do, but must be on duty in case a circuit breaker goes out, also sells tickets, handles express, etc., and generally acts as station agent, must his wages be apportioned, and, if so, on what basis?

Answer. The wages of such an employee shall be apportioned among the accounts affected. It is not intended, however, to require an undue refinement of accounting in a matter of this kind, and if the circumstances are such that any account could, with propriety, include the entire expense, there would be no objection to following such a course.

CASE 109.

Query. When headlights, markers, etc., are cared for and handled at the general office, say a mile from the carhouse, and the man who does this work also handles baggage and express matter and acts as janitor of the building, must his wages be apportioned, and, if so, on what basis?

Answer. The wages of such an employee shall be apportioned, so far as practicable, among the accounts affected. If, however, the item is small and the circumstances are such that any one account could, with propriety, include the entire expense, it may be assigned thereto. (*See Cases 55, 108, 181, and 187.*)

CASE 110.

Query. A conductor on duty is stabbed by a drunken passenger without any fault or negligence whatever on the part of the carrier. He has been a faithful employee and it has been decided to pay him for the time lost during the resulting illness. Should the amount be charged to account No. 89, "Miscellaneous general expenses," or to account No. 92, "Injuries and damages"?

Answer. To account No. 92, "Injuries and damages." (*See Cases 10 and 52.*)

CASE 111.

Query. A conductor is knocked from a crowded running board of an open car while the car is passing close to a pile of building material of the existence of which he is well aware. No negligence on the part of the company is shown or claimed. He has been a faithful employee and it has been decided to pay him for the time lost during the resulting illness. Should the amount be charged to account No. 89, "Miscellaneous general expenses," or to account No. 92, "Injuries and damages"?

Answer. To account No. 92, "Injuries and damages."

CASE 112.

Query. To what account should be charged the cost of replacing a pavement taken up during construction work for the purpose of removing obstructions such as gas and sewer pipes? This paving is more or less removed from the paving described as the paving strip, extending approximately two feet beyond the outside rail and between the rails, and is not maintained by the street railway company.

Answer. The cost of replacing a pavement taken up during construction work for the purpose of removing obstructions such as gas and sewer pipe, shall be charged to account No. 511, "Paving," in the classification for road and equipment, whether or not such pavement is outside of the so-called paving strip maintained by the company in consequence of municipal requirements.

CASE 113.

Query. Is account No. 509, "Underground construction," in the classification for road and equipment, intended to include all labor in placing the material described, as well as the cost of material itself, including transportation?

Answer. Such labor shall not be included in account No. 509, "Underground construction," but shall be charged to account No. 510, "Track and roadway labor," in analogy with maintenance account No. 8, "Track and roadway labor."

CASE 114.

Query. Should the cost of labor incident to hauling track material from the storeroom to the place where it enters into construction be regarded as a part of the labor cost covered by account No. 510, "Track and roadway labor," in the classification for road and equipment?

Answer. Yes.

CASE 115.

Query. How should guard rails, walks, and railings along the tracks of elevated railways be classified?

Answer. Timber guard rails, footwalks, and railings along the tracks of elevated railways shall be charged to road and equipment account No. 514, "Elevated structures and foundations." The reason that track rails and ties are excluded from this account and put in separate accounts is that they can be used on other roadbeds. The timber work described is peculiar, however, to the elevated structure, and shall therefore be included in that account for the same reason that all parts of bridges and trestles, except track rails, cross ties, etc., are included in account No. 515, "Bridges, trestles, and culverts," in the same classification.

CASE 116.

Query. This company is desirous of keeping a subaccount, "Lighting system," under account No. 23, "Miscellaneous electric line expenses," to contain the cost of maintaining the lighting system on both the elevated and the subway lines. It is desired to show the cost of maintenance of the lighting system on both divisions in one account, which would not be possible if the cost of maintaining the lighting system of the subway and elevated were charged to accounts No. 13, "Tunnels and subways," and No. 14, "Elevated structures and foundations."

Answer. If the company is interested in showing the combined cost of maintaining the subway and elevated lighting systems it may keep an apportionment account to be cleared monthly, but it would destroy the uniformity sought if the account were to be kept as a regular operating account and thus show expenses that in the case of other companies would appear under accounts No. 13, "Tunnels and subways," and No. 14, "Elevated structures and foundations."

CASE 117.

Query. To what account should be charged the cost of building snow fences, as well as the expense of setting them up and removing them?

Answer. The first installation of snow fences shall be charged to road and equipment account No. 516, "Crossings, fences, and signs." After the first installation, the cost of repairing such fences, as well as the expense of setting them up and removing them, shall be charged to operating expense account No. 12, "Removal of snow and ice."

CASE 118.

Query. To what account should be charged expenses incident to the trial of an ejected passenger who shot and killed one of our trainmen, and burial expenses of said trainman paid by this company?

Answer. The expenses incident to the trial shall be charged to account No. 86, "Law expenses," and the burial expenses, if not paid from a relief association fund, shall be charged to account No. 92, "Injuries and damages."

CASE 119.

Query. To what account should be charged an assessment for constructing a new ditch by which this company is partly benefited? The road has been in operation for some time.

Answer. Provision is made for the cost of ditching roadway and of ditches for waterways in account No. 504, "Grading," in the classification for road and equipment. If the ditch to which you refer is along the public highway and is not made use of in the operation of the railroad, the amount of the assessment shall be charged to account No. 502, "Right of way," in the same classification.

CASE 120.

Query. To what account should be charged the cost of pieces of glass for fronts of headlights on cars? Is this charge the same as for globes and carbons, or is the glass considered as a repair rather than a supply?

Answer. Pieces of glass for fronts of headlights on cars shall be charged, under the classification of operating expenses, to account No. 30, "Passenger and combination cars"; No. 31, "Freight, express, and mail cars"; No. 32, "Service equipment"; or No. 34, "Locomotives," according to the class of equipment upon which the glass is used.

Globes and carbons used for headlights shall be charged to account No. 67, "Miscellaneous car-service expenses."

CASE 121.

Query. To what account should be charged the cost of sprinkling pavement of streets (other than pavement near tracks) in front of passenger and freight stations?

Answer. If the sprinkling in front of stations is performed by employees around the stations the labor shall be charged to account No. 68, "Station employees," and other expenses to account No. 69, "Station expenses." If the service is performed by outside parties, the entire expense shall be charged to account No. 69.

CASE 122.

Query. To what account should be charged the cost of tube cleaners and repair parts for removing scale from boiler tubes in boilers at power plants?

Answer. The cost of first installation of tube cleaners shall be charged to account No. 542, "Power plant equipment," in the classification for road and equipment. Replacements and repairs shall be charged to account No. 47, "Power plant equipment," in the classification of operating expenses.

CASE 123.

Query. To what account should be charged the cost of envelopes and bags used for filing canceled tickets turned in by conductors?

Answer. To account No. 94, "Stationery and printing."

CASE 124.

Query. To what account should be charged the cost of fire extinguishers which are to be installed in passenger and freight cars and in power stations?

Answer. The cost of first installation shall be charged to account No. 530, "Passenger and combination cars"; No. 531, "Freight, express, and mail cars"; No. 532, "Service equipment"; or No. 534, "Locomotives," in the classification for road and equipment, according to the class of equipment in which the fire extinguishers are installed. The cost of first installation in power plants shall be charged to account No. 542, "Power plant equipment," in the same classification. It is not intended, however, to require carriers to charge insignificant items to road and equipment accounts. (*See Case 125.*)

CASE 125.

Query. To what account should be charged the cost of renewing fire extinguishers used in passenger and freight cars and in power stations?

Answer. The cost of refilling fire extinguishers in cars shall be charged to account No. 67, "Miscellaneous car-service expenses," and in power plants to account No. 56, "Miscellaneous power plant supplies and expenses." The cost of replacing hand grenades shall be similarly charged. (*See Case 124.*)

CASE 126.

Query. To what account should be charged the cost of installing fire hose?

Answer. The cost of first installation of fire hose shall be charged to the same account under Road and Equipment as the building in which the hose is installed. It is not intended, however, to require carriers to charge insignificant items to road and equipment accounts.

CASE 127.

Query. To what account should be charged the cost of renewing or replacing fire hose?

Answer. To the account to which would be charged repairs to the building in which the hose is located.

CASE 128.

Query. To what account should be charged the expenses incurred on account of a remonstrance against constructing a new ditch along right of way?

Answer. To operating expense account No. 86, "Law expenses," if the remonstrance occurred after the commencement of operations; or to road and equipment account No. 546, "Law expenditures," if the remonstrance occurred during the construction period.

CASE 129.

Query. To what account should be charged the cost of services of an electric clock at a dispatcher's office for use in train service?

Answer. To account No. 63, "Superintendence of transportation."

CASE 130.

Query. To what account should be charged the cost of a reseating machine and repair parts, for grinding and cleaning caps for boiler tubes in power stations?

Answer. The cost of first installation of reseating machines for grinding and cleaning caps for boiler tubes in power plants shall be charged to account No. 542, "Power plant equipment," in the classification for road and equipment. Replacements and repairs shall be charged to account No. 47, "Power plant equipment," in the classification of operating expenses.

CASE 131.

Query. What accounts should be charged with the rent and the cost of maintenance and operation of a steam locomotive and other classes of equipment, such as work cars, etc., used in the construction of an electric railway? What disposition should be made of rental charges for time during which the equipment is lying idle on account of inclement weather?

Answer. The rent of such equipment held for use in construction, whether in use or idle, together with the cost of repairs and supplies used in its operation, shall be charged to the accounts in the classification for road and equipment that are benefited by the service, being apportioned among them on an equitable basis. When such expenses can not properly be included as a part of the cost of any specific work they shall be charged to account No. 529, "Other expenditures—Way and structures." (See Case 92.)

CASE 132.

Query. When cartage is included in the rates, what should be the accounting for receipts from and payments for cartage other than that for collection and delivery, mentioned in account No. 76?

Answer. When freight rates include cartage, the total amounts earned shall be credited to account No. 107, "Freight revenue," in the classification of operating revenues, and the amounts paid to a cartage agency for cartage in accordance with tariff provision shall be charged to the same account.

CASE 133.

Query. Should freight earnings be charged with amounts paid to other companies for the use of their cars?

Answer. Amounts paid to other companies for the use of their cars shall be charged to account No. 98, "Rent of equipment," in the classification of operating expenses, and not to the revenue account benefited by the use of the cars. (See Case 13.)

CASE 134.

Query. A company is called upon by the various municipalities through which it operates to pay for street improvements, either by assessments levied by municipal authority or by payments to contractors in accordance with city ordinances. Is the initial cost of street paving, sidewalks, curbs, gutters, etc., chargeable to Operating Expenses, or to Road and Equipment?

Are payments for improvements of the above nature made in connection with depots and depot grounds chargeable to account No. 502, "Right of way," or account No. 503, "Other land used in electric railway operations," in the classification for road and equipment?

Answer. The initial cost of street pavements, sidewalks, curbs, gutters, etc., is chargeable to road and equipment accounts. Expenditures of this nature within the limits of depots and depot grounds shall be charged to account No. 524, "Stations, miscellaneous buildings, and structures," except that the cost of

all paving about tracks and special work, when incident to track construction, shall be charged to account No. 511, "Paving," whether in the public way or upon grounds used in connection with depots or depot grounds. (*See Cases 42, 84, and 236.*)

CASE 135.

Query. To what account should be charged the cost of land acquired for station and terminal grounds and for shops and power houses?

Answer. The cost of such land shall be charged to account No. 503, "Other land used in electric railway operations."

CASE 136.

Query. To what account should be charged insurance premiums paid on construction material or on equipment or structures under construction?

Answer. Insurance premiums paid on construction material or on equipment or structures under construction shall be charged to specific accounts when they can be allocated to such accounts; otherwise to account No. 550, "Miscellaneous," in the classification for road and equipment.

CASE 137.

Query. What account should be charged with the cost of a steam shovel used in the construction of an electric railway?

Answer. If, as is assumed, the steam shovel is to be used in grading, its cost shall be charged to account No. 504, "Grading," in the classification for road and equipment. If the steam shovel is sold after the completion of the grading, the proceeds from the sale shall be credited to account No. 504. If, however, it is retained and used, account No. 504 shall be credited with the inventory value at the completion of the grading, and account No. 532, "Service equipment," charged, provided the steam shovel is permanently mounted on a car. In case it is not so mounted, account No. 512, "Roadway machinery and tools," shall be charged. (*See Case 76.*)

CASE 138.

Query. Under a joint arrangement, practically all the scrap material of several companies controlled by the same interests is sold under contract to a single purchaser. The contract provides that the scrap shall be cleaned, packed, if necessary, shipped to a designated point, and delivered to the purchaser at prices fixed in the contract. Should the cost of cleaning, cutting up, collecting, and packing, and amounts paid for cartage and freight be charged to account No. 95, "Store expenses," in the classification of operating expenses?

Answer. Account No. 95, "Store expenses," provides for the cost of collection of scrap material, but it is not intended that this account should include the cost of cleaning and cutting up scrap material, or of packing and shipping it to the point where it is sold. Such expenses shall be deducted from the amounts received from the sale of the scrap material.

CASE 139.

Query. The property of a railway company suffered considerable damage by floods. Temporary repairs were made to permit the operation of trains over the damaged portion, it being deemed advisable to postpone permanent repairs on account of the approach of winter. During the following year the damaged property was restored to a condition equal to that before the flood. May a

reserve be set up through charges to Operating Expenses of the flood year to provide for the repair of the property damaged?

Answer. If the cost of the permanent repairs proposed can be approximately determined, there is no objection to charging Operating Expenses each month with a proportion of the cost of such repairs, with the understanding that such charges shall be adjusted to the basis of actual expenditures as soon as the work is completed. The amounts charged to Operating Expenses for this purpose shall be carried in a reserve, against which the cost of the repairs shall be charged as they are made.

CASE 140.

Query. To what account should be charged the cost of current purchased from another company to supply electric-light clusters at stopping points along the line, not stations?

Answer. To account No. 59, "Power purchased." (See Case 165.)

CASE 141.

Query. A company owns tracks but no cars or power house. To operate the road, cars and power are obtained from another company at the rate of 3 cents per car-mile for both cars and power. How should amounts thus paid be treated?

Answer. They shall be apportioned between account No. 98, "Rent of equipment," and account No. 59, "Power purchased."

CASE 142.

Query. The tracks and equipment of a dummy freight line owned by a street railroad are leased to a steam road for exclusive use, the steam road maintaining and operating the line. Should the street railroad include the yearly rent received under revenue account No. 115, "Rent of tracks and facilities," or in the Income Account?

Answer. The amount of rent received as described above shall be included under account No. 203, "Income from lease of road."

CASE 143.

Query. An electric railway is operated in three divisions; the first division including the lines in two cities, A and B, separated by a river; the second division including the lines in a third city, C; and the third division including an interurban line, 22 miles in length, connecting B and C. The main supply depot is at A. Would it be proper to credit the revenues of the interurban line and charge the expenses of the lines in C with freight charges on company material and supplies carried from B to C to be used in C?

Answer. Under the Uniform System of Accounts it is not proper for a carrier to include in its operating revenues freight charges for the transportation of company material and supplies for the maintenance and operation of its property.

CASE 144.

Query. Should an electric railway company whose line is under construction, no part of it having been completed and no cars having been run, open any account for operating expenses, or should it charge all expenditures to construction accounts?

Answer. It is not proper to open any account for operating expenses before cars are run in revenue service. All expenditures in connection with the construction of a road shall be charged to the accounts prescribed in the classification for road and equipment.

CASE 145.

Query. Several cars of coal were purchased by a road under construction, to be held for use for generating purposes in the power house after operations are begun. To what account should be charged the cost of the coal?

Answer. The cost of coal purchased for use after the beginning of operations shall be charged to a fuel account under balance-sheet account No. 411, "Material and supplies." This account shall be credited and the appropriate operating expense accounts shall be charged as the coal is used.

CASE 146.

Query. To what account should be charged an amount paid to a city for permission to open a pavement in order to repair joints, relay rails, etc.? The pavement is in good condition and the amount of the payment covers the estimated cost of replacing it.

Answer. The cost shall be charged to account No. 10, "Paving," in the classification of operating expenses.

CASE 147.

Query. To what account should be charged the wages of pilots directing the operation of a company's own cars by crews not familiar with certain divisions of the line, or directing the operation of cars of another company by their own crews?

Answer. Pilots as described above shall be considered trainmen and their wages charged to operating expense account No. 64, "Passenger conductors, motormen, and trainmen," or account No. 65, "Freight and express conductors, motormen, and trainmen," according to the service in which they are engaged.

CASE 148.

Query. To what account should an electric railway company credit an amount received from another company for the privilege of running cars over a portion of its line, the first company furnishing the power and pilots to direct the movement of the cars, which are furnished and operated by the second company?

Answer. The amount received for such a privilege shall be credited to revenue account No. 115, "Rent of tracks and facilities," with the exception of the portion of the amount applicable to the wages of the pilots, which shall be credited to the account to which the wages are charged.

CASE 149.

Query. What account is chargeable with the cost of telephone service, including both tolls and rents, in stations for agents' use in reaching patrons of the line, and in the offices of the operating officers?

Answer. Payments for local telephone service for agents' use in reaching patrons shall be charged to account No. 69, "Station expenses." Payments for telephone service in the offices of operating officers shall be charged to account No. 73, "Operation of telephone and telegraph lines." Payments for telephone service in connection with the general management of the company shall be charged to account No. 89, "Miscellaneous general expenses."

CASE 150.

Query. A passenger holding a ticket is ejected from an electric railway company's car and enters suit against the company for damages. To what account should the amount of the damages awarded be charged?

Answer. Damages awarded to a passenger on account of his ejectment from a car shall be charged to account No. 92, "Injuries and damages," in the classification of operating expenses.

CASE 151.

Query. An electric railway company owns five automobiles, one used by the president, one by the general superintendent, one by the superintendent of maintenance of way, and the other two by linemen. What accounts should be charged with the garage expenses, including the wages of men in charge; with the cost of gasoline, oil, and waste used in the machine; and with the cost of material used in making repairs?

Answer. The garage expenses, including the wages of the men in charge, and the cost of gasoline, oil, and waste used in connection with automobiles, shall be charged to account No. 96, "Garage and stable expenses." The cost of repairs shall be charged to account No. 38, "Vehicles and horses."

CASE 152.

Query. To what account should be charged the cost of a concrete foundation for tracks when forming part of a pit in a carhouse or in a yard?

Answer. Assuming that the pit is built to facilitate the housing and maintenance of equipment, the cost of the foundation put in for tracks in building a pit in a carhouse shall be considered a part of the cost of the carhouse, and so charged to account No. 523, "Shops and carhouses," in the classification for road and equipment.

A pit in a yard is presumably built to facilitate the examination and repair of equipment and shall be considered a miscellaneous structure, the cost of which is chargeable to account No. 524, "Stations, miscellaneous buildings, and structures."

A pit constructed to facilitate the change between the underground and the overhead electric contact system shall be considered as underground construction.

CASE 153.

Query. An electric railway company expects to engage in the power and light business. Is it proper to charge the various accounts in the classification for road and equipment with the cost of installation of additional units in the power house, and the cost of pole lines and feeder lines? If this is not permissible, will it be satisfactory to have one balance sheet to cover both the railway business and the power and light business?

Answer. It is proper to include the cost of additional units in the power house and of pole lines and feeder lines in the accounts provided in the classification for road and equipment. One balance sheet is sufficient for the entire business.

CASE 154.

Query. What rates of depreciation should be applied to the different portions of an electric railway's plant? Should the principle of depreciation be applied in the case of each of the 50 classes of construction covered by the accounts prescribed in the classification for road and equipment?

Answer. The Interstate Commerce Commission only requires of electric railway companies subject to its jurisdiction depreciation accruals on equipment covered by accounts Nos. 530 to 535, inclusive. Provision is made in the classification of operating expenses for three depreciation accounts. The use of account No. 40, "Depreciation of equipment," is mandatory. The use of accounts No. 25, "Depreciation of way and structures," and No. 50, "Depreciation of power plant buildings and equipment," is optional with the carrier. (See section 14, page 19 of the *Uniform System of Accounts for Electric Railways*.)

The question as to rates of depreciation to be used is one which each carrier must determine for itself. The Interstate Commerce Commission has issued no order fixing such rates.

CASE 155.

Query. What account should be credited with discounts allowed by manufacturers for payment, within specified times, of bills for material purchased?

Answer. Discounts allowed for the prompt payment of bills for material purchased shall be credited to the accounts to which the original invoices are charged.

CASE 156.

Query. To what revenue account should be credited receipts for the transportation of newspapers on passenger cars? Newspaper stamps are sold at fixed rates per 100 pounds and affixed to the packages to indicate their weight and the fact that prepayment has been made.

Answer. To account No. 105, "Express revenue," in the classification of operating revenues.

CASE 157.

Query. What accounts should be charged with the cost of maintenance of a bonding car and its electric equipment?

Answer. A bonding car shall be considered a car rather than a tool. The cost of its maintenance shall be charged to account No. 32, "Service equipment," and the cost of maintenance of its electric equipment to account No. 33, "Electric equipment of cars," in the classification of operating expenses. It is understood that "electric equipment" as here used includes only the electric motive equipment and wiring.

CASE 158.

Query. What account should be charged with the cost of installing a creosoting plant for the purpose of treating poles, ties, cross arms, etc., used for both maintenance and construction work?

What account should be charged with the maintenance of such a plant?

Should the cost of labor and supplies used in the operation of the plant be distributed to the maintenance and construction accounts?

Answer. The original cost of the creosoting plant shall be charged to road and equipment account No. 536, "Shop equipment."

The cost of maintaining the creosoting plant shall be charged to operating expense account No. 36, "Shop equipment." The cost of labor and supplies used in the creosoting plant shall be included in the cost of the material treated, upon an equitable basis.

CASE 159.

Query. What account should be charged with the cost of electric meters installed by an electric railway on the premises of customers to whom current is furnished for power and light?

Answer. The cost of meters installed on customers' premises shall be included in account No. 521, "Distribution system," in the classification for road and equipment.

If desired, appropriate subaccounts may be opened for the purpose of keeping separate from railway accounts the investment in and maintenance of meters installed on the premises of customers of the power and light department.

CASE 160.

Query. What account should be charged when conductors are given relief from charges for shortages shown by register readings and credited to "Passenger revenue"? The relief is granted as the result of investigation or at the request of the superintendent on account of operating conditions.

Answer. "Passenger revenue" shall be charged, as the amounts in question were previously credited to it.

CASE 161.

Query. What account should be charged with the amount assessed against a street railway for paving and a sewer? As the work is done for the city by contract, the actual cost can not be determined for either the paving or the sewer.

Answer. The amount of the assessment shall be apportioned as equitably as may be between account No. 511, "Paving," and account No. 502, "Right of way," in the classification for road and equipment. (*See Cases 2 and 85.*)

CASE 162. .

Query. As a condition to permission to place double tracks in subways under the tracks of steam roads, a company was required by ordinance to change the grade on a street in another part of the city. Should the cost of the work on the city street, such as the changing of the grade, curbing, etc., be charged to account No. 502, "Right of way," in the classification for road and equipment?

Answer. Yes.

CASE 163.

Query. To what account should a street railway company charge periodical payments to a city for the privilege of operating cars and stringing wires over a bridge crossing a river?

Answer. To account No. 215, "Taxes assignable to railway operations."

CASE 164.

Query. To what account should be charged fees of witnesses and others appearing for a motorman and conductor at a coroner's inquest, occasioned by an accident?

Answer. To account No. 92, "Injuries and damages," in the classification of operating expenses.

CASE 165.

Query. Should account No. 59, "Power purchased," in the classification of operating expenses include the cost of all power purchased for use in connection with the operation of a line, or of only the amount actually used for the propulsion of cars? A considerable portion of the power purchased is used in lighting cars and car barns and in operating track cranes, etc.

Answer. The entire cost of power purchased shall be charged to account No. 59, "Power purchased." (See Case 140.)

CASE 166.

Query. To what account should be charged the cost, which is small, of loading and unloading cinders used in filling ground around a power plant and car barns?

Answer. To operating expense account No. 24, "Buildings, fixtures, and grounds," or No. 46, "Power plant buildings, fixtures, and grounds," as may be appropriate. (See Case 289.)

CASE 167.

Query. To what account should be charged the cost of dry batteries required for telephone instruments?

Answer. If the telephones are used primarily in the operation of cars, the cost of dry batteries required shall be charged to account No. 73, "Operation of telephone and telegraph lines"; if for local telephone service at stations they shall be charged to account No. 69, "Station expenses"; if in connection with the general management of the company they shall be charged to account No. 89, "Miscellaneous general expenses." (See Cases 68 and 149.)

CASE 168.

Query. To what account should be charged the cost of rubber bands used by conductors in sorting and bunching tickets lifted?

Answer. To account No. 94, "Stationery and printing."

CASE 169.

Query. To what account should be charged the cost of sleet cutters and sleet-cutter wheels?

Answer. The first cost shall be charged to account No. 533, "Electric equipment of cars," in the classification for road and equipment. The cost of repairing and replacing sleet cutters and sleet-cutter wheels shall be charged to operating expense account No. 33, "Electric equipment of cars."

CASE 170.

Query. To what account in the classification of operating revenues should be credited receipts for the transportation of corpses?

Answer. To account No. 101, "Passenger revenue."

CASE 171.

Query. An electric railway company does repair work for a steam road, rendering a bill for the actual labor and material used and for the service of a motor work car at a certain rate per car-mile. To what account should be credited the amount charged for the service of the work car?

Answer. To revenue account No. 109, "Miscellaneous transportation revenue."

CASE 172.

Query. A traction company engaged in construction was sued by a gas company for damages to the latter's pipe line along and across the former's right of way. To what account should the traction company charge the amount of damages awarded and the costs?

Answer. To account No. 502, "Right of way," in the classification for road and equipment.

CASE 173.

Query. To what account should be charged the cost of velocipedes and of hand and push cars for use on an electric railway?

Answer. The cost of first installation shall be charged to account No. 512, "Roadway machinery and tools," in the classification for road and equipment. The cost of repairs and renewals shall be charged to operating expense account No. 9, "Miscellaneous track and roadway expenses."

CASE 174.

Query. In cases where repairs are necessitated by the failure of concrete base for ballast, should the cost of tearing up and replacing paving be charged to "Ballast" or to "Paving"?

Answer. The cost of tearing up and replacing paving in connection with such repairs shall be charged to account No. 10, "Paving," in the classification of operating expenses.

CASE 175.

Query. An electric railway company has rented space for its transmission line in another company's subway. To what account should be charged the rent paid?

Answer. To operating expense account No. 49, "Transmission system."

CASE 176.

Query. To what account should be charged the cost of a stationary crushing plant located in a stone quarry and used by an electric railway in the production of ballast for maintenance?

Answer. To account No. 512, "Roadway machinery and tools," in the classification for road and equipment.

CASE 177.

Query. To what account should be charged the cost of gage glasses and gage-glass preservers?

Answer. The cost of first installation shall be charged to account No. 542, "Power plant equipment," in the classification for road and equipment; and the cost of repairs and replacements to account No. 47, "Power plant equipment," in the classification of operating expenses.

CASE 178.

Query. To what account should be credited the revenue from the transportation of dogs?

Answer. If the dogs are carried as baggage in baggage cars the revenue shall be credited to account No. 102, "Baggage revenue"; if carried as express, to account No. 105, "Express revenue"; if carried by an urban road which does not make a practice of carrying either baggage or express matter the credit shall be to account No. 109, "Miscellaneous transportation revenue."

CASE 179.

Query. To what account should be charged the expenses of a general manager, whose duties include those of passenger and freight agent, while attending traffic associations?

Answer. To account No. 83, "Salaries and expenses of general officers," in the classification of operating expenses.

CASE 180.

Query. What account should be charged for labor unloading coal at car-houses for use in car stoves?

Answer. The cost of unloading shall be added to the cost of the fuel. If, however, the work of unloading is done by regular carhouse operating employees it is not necessary to charge a portion of their wages to the cost of the fuel.

CASE 181.

Query. To what account should be charged the cost of labor unloading coal at a power plant?

Answer. The cost of unloading shall be added to the cost of the fuel. If, however, the work of unloading is done by regular power plant operating employees it is not necessary to charge a portion of their wages to the cost of the fuel. (*See Cases 55 and 109.*)

CASE 182.

Query. A company operating its line with gasoline motor cars has adopted the classifications prescribed for electric railways. What account should be charged with the cost of repairs to engine, transmission, or ignition parts? What account should be charged with the cost of batteries, spark plugs, connecting wire and terminals, electrolyte for storage batteries, etc.?

Answer. The cost of repairs to the motor features of gasoline motor cars shall be charged to account No. 34, "Locomotives," (preferably in a subaccount), and the cost of repairs to the car features of such motor cars shall be charged to account No. 30, "Passenger and combination cars"; account No. 31, "Freight, express, and mail cars"; or account No. 32, "Service equipment," as may be appropriate.

The cost of repairs or renewals of batteries, spark plugs, connecting wire and terminals, electrolyte for storage batteries, and other appliances for the motive power of such cars shall be charged to account No. 34, "Locomotives," (preferably in a subaccount). (*See Case 4.*)

CASE 183.

Query. A practically new car was destroyed in a wreck, the salvage amounting to a few hundred dollars. What disposition should be made of the loss and the salvage?

Answer. The road and equipment account to which the cost of the car was originally charged shall be credited with the ledger value of the equipment destroyed, and the amount of the credit shall be concurrently charged as follows:

The value of the salvage shall be charged to "Material and supplies"; account No. 443, "Accrued depreciation—Road and equipment," shall be charged with the amount carried therein in connection with the equipment destroyed; the amount of depreciation prior to July 1, 1914, not previously written off, shall be charged to Profit and Loss; and the remainder of the credit shall be charged to operating expense account No. 41, "Equipment retired."

CASE 184.

Query. A city proposes to repave its streets with improved materials and the street railway company is required by the terms of its franchise to repave its strip at the same time and with the same kind of material. Would it be proper to charge the cost of the new paving to account No. 511, "Paving," in the classification for road and equipment?

Answer. The excess cost of the new paving over the cost of the original paving shall be charged to road and equipment account No. 511, "Paving," and the remainder, including the cost of removing old paving, to operating expense account No. 10, "Paving."

CASE 185.

Query. A street railway line was constructed in unpaved streets, and after the line had been in operation for a number of years, the city decided to pave. To what account should be charged the railway's share of the cost of paving?

Answer. To account No. 511, "Paving," in the classification for road and equipment. (*See Case 99.*)

CASE 186.

Query. An electric railway obtained permission to increase its capital stock by \$500,000. Of this increase \$250,000 was authorized and issued for the specified purpose of a 25 per cent stock dividend, but the remaining \$250,000 was not authorized for any specific purpose and was not issued. Should the entry in the general ledger be made to cover more than the \$250,000 authorized and issued?

Answer. No. Capital stock shall be considered as issued only when the certificates are signed and sealed and placed with the proper officer for sale or delivery.

CASE 187.

Query. Should any charge be made to account No. 63, "Superintendence of transportation," for the services of agents and substation men used to some extent in dispatching trains and in delivering dispatchers' orders to train crews?

Answer. No charge shall be made to the superintendence account for such incidental service. (*See Cases 55 and 109.*)

CASE 188.

Query. An electric railway company proposes to furnish electric current for lighting some small towns along its line, also to furnish power for the operation of several manufacturing plants. How should the revenues and expenses be handled?

Answer. If a general power and light business is to be undertaken in connection with the railway business, it should be treated as an auxiliary operation. The several accounts entitled "Other operations—Cr." in the classification of operating expenses shall be used to exclude from the total of each general account the portion of expenses that is not applicable to the railway business, these expenses being charged to account No. 214, "Auxiliary operations—Expenses." The revenues from the power and light business shall be credited to account No. 202, "Auxiliary operations—Revenues." (*See Case 7 and account No. 118.*)

CASE 189.

Query. To what accounts should be charged the cost of applying a new form of coupler to motor cars to be used in connection with trailers?

Answer. Such cost should ordinarily be charged to operating expense account No. 30, "Passenger and combination cars"; account No. 31, "Freight, express, and mail cars"; or account No. 32, "Service equipment," according to the class of equipment to which the couplers are applied.

If the couplers applied are heavier or of an improved type, and the cost is considerable, the excess cost of the new couplers over the original cost of those removed shall be charged to the proper account in the classification for road and equipment.

CASE 190.

Query. To what account should be charged the cost of additions to a small plant operated by a railway company to furnish power for lighting in one of the towns on its line?

Answer. The cost of additions to the machinery and equipment of the plant shall be charged to account No. 542, "Power plant equipment," and of additions to the building to account No. 539, "Power plant buildings," in the classification for road and equipment.

CASE 191.

Query. To what account should be charged the cost of cutting trees and removing stumps from the right of way of an electric railway?

Answer. To account No. 504, "Grading," in the classification for road and equipment.

CASE 192.

Query. Ties are frequently purchased some time in advance of their actual use in track work. Should their cost be charged to Operating Expenses in the month in which payment is made or in the month in which they are put in the track?

Answer. The cost of ties shall be charged to a material account at the time of purchase. This account shall be credited and operating expense account No. 3, "Ties," charged from month to month with the value of the ties put in the track.

In order that the cost of renewing ties may be distributed to the 12 months of the year, there would be no objection to charging the operating expense account "Ties" each month with its proportion of the total amount authorized or approximated for renewals during the fiscal year, regardless of the month in which the actual renewals are made, but the account shall be adjusted at the end of the year to the actual expenditures during the year.

In this connection note that equalization accounts Nos. 28, 44, and 51 have been provided for the convenience of carriers desiring to have each month's operating expenses reflect, by general account totals, an equitable proportion monthly of the estimated or authorized maintenance expenses for the year and show, at the same time, actual expenditures by primary accounts.

CASE 193.

Query. In the construction of a street railway it is necessary to team rails from a yard to the street in which they are to be laid. To what account should be charged the cost of such teaming and the cost of unloading the rails in the street?

Answer. To account No. 510, "Track and roadway labor," in the classification for road and equipment.

CASE 194.

Query. An electric railway company operating a line crossing a county bridge is required by the terms of its franchise to pay part of the cost of strengthening the bridge. To what account or accounts should be charged the amount paid?

Answer. The cost of the portion of the work properly considered as betterments to the bridge shall be charged to road and equipment account No. 502, "Right of way," and the remainder to operating expense account No. 15, "Bridges, trestles, and culverts."

CASE 195.

Query. To what account should be charged the cost of repairs to a high smokestack at a power plant?

Answer. The cost of repairs to a smokestack which forms a part of the power plant shall be charged to operating expense account No. 46, "Power plant buildings, fixtures, and grounds."

CASE 196.

Query. When equipment of the type ordinarily installed in substations is installed in a power plant building, should its cost be charged to road and equipment account No. 542, "Power plant equipment," or to No. 543, "Substation equipment"?

Answer. If the equipment is for use in connection with power generated in the same power plant, its cost shall be charged to account No. 542, "Power plant equipment." If it is to transform power generated elsewhere, its cost shall be charged to account No. 543, "Substation equipment."

CASE 197.

Query. Should operating revenue account No. 103, "Parlor, sleeping, dining, and special car revenue," be credited with revenue derived from the operation of cars of the ordinary type on special or extra trips to handle an increase in traffic?

Answer. No; but the revenue from cars furnished for private use under special arrangement shall be credited to that account.

CASE 198.

Query. To what accounts should be charged the first cost and the cost of maintenance of a lighting plant operated in connection with an electric railway?

Answer. The first cost of the building for such a plant shall be charged to road and equipment account No. 539, "Power plant buildings," and the first cost of machinery and other equipment to account No. 542, "Power plant equipment." The first cost of the distribution system shall be charged to account No. 521, "Distribution system," and the first cost of the transmission system to account No. 544, "Transmission system."

All expenses in connection with the maintenance and operation of the light plant shall be included in the appropriate railway primary accounts under the general account Power, and if the light department is conducted as an auxiliary operation an equitable proportion of such expenses shall be charged to the light department through account No. 214, "Auxiliary operations—Expenses," and corresponding credit made to account No. 62, "Other operations—Cr."

If the light business is small in amount and is not accounted for as an auxiliary operation, the cost of maintaining and operating the light plant shall be included in the appropriate railway operating expense accounts.

CASE 199.

Query. To what account should be charged the loss from the operation of a hotel for the accommodation of employees, some being engaged in construction and some in transportation operation?

Answer. The net cost shall be apportioned between account No. 529, "Other expenditures—Way and structures," or No. 550, "Miscellaneous," as may be appropriate, and account No. 78, "Other transportation expenses," in the classification of operating expenses; or, if the amount is considerable, it may be divided among the various accounts affected.

CASE 200.

Query. To what account should be charged the cost of material for seats and sides purchased for use in converting open cars into closed cars?

Answer. Account No. 530, "Passenger and combination cars," in the classification for road and equipment, shall be charged with so much of the cost of converting open cars into closed cars as represents the excess value of the closed cars over the cost of the open cars. The remainder of the cost shall be charged to account No. 30, "Passenger and combination cars," in the classification of operating expenses.

CASE 201.

Query. To what accounts should be charged payments made to the Transcontinental Freight Bureau for the salaries of weighmasters located at various points on a railway's line?

Answer. To account No. 68, "Station employees."

CASE 202.

Query. What is the distinction between account No. 515, "Bridges, trestles, and culverts," and account No. 516, "Crossings, fences, and signs," in the classification for road and equipment, with reference, for instance, to the accounting for the cost of building an undergrade crossing for a highway?

Answer. Account No. 515, "Bridges, trestles, and culverts," shall include the cost of the structure (including foundations and abutments) built to carry the railway track over the highway, while the cost of the roadway passing under the bridge, including the cost of labor and material used in constructing the roadway and the cost of drainage arrangements and excavation, shall be charged to account No. 516, "Crossings, fences, and signs."

CASE 203.

Query. To what account should be charged the cost of new copper trolley wire stolen from the storehouse but recovered after being cut into short lengths?

Answer. The cost of the wire, less the value of scrap recovered, shall be charged to operating expense account No. 95, "Store expenses."

CASE 204.

Query. Should the cost of constructing commercial power lines for power and light business in connection with a railway be included in the accounts prescribed in the classification for road and equipment?

Answer. Yes.

CASE 205.

Query. To what accounts should be charged and credited amounts paid and received in the redemption of transfers issued by two connecting electric railways?

Answer. The transfer arrangement is in effect a division of revenues for through service. The amounts paid to another company for the redemption of transfers shall be charged to account No. 101, "Passenger revenue" in the classification of operating revenues, and the amounts received shall be correspondingly credited to the same account.

CASE 206.

Query. To what account should be charged the cost of repairs and replacements of watchmen's portable clocks used in a carhouse and the cost of paper dials used in such clocks?

Answer. The cost of repairs and replacements of such clocks shall be included in operating expense account No. 71, "Carhouse expenses," and the cost of the paper dials in account No. 94, "Stationery and printing."

CASE 207.

Query. To what account should be charged the amount assessed against an electric railway company for first cost of dredging a stream so as to drain towns and lands along said stream?

Answer. To road and equipment account No. 502, "Right of way." (See Case 119.)

CASE 208.

Query. To what account should be charged the rent of coal pockets for storing coal for use of power plants?

Answer. To account No. 56, "Miscellaneous power plant supplies and expenses."

CASE 209.

Query. To what account should be charged the cost of oil cans and other such devices for use by employees of various departments?

Answer. The cost of oil cans and such devices shall be charged to operating expense account No. 56, "Miscellaneous power plant supplies and expenses"; No. 58, "Substation supplies and expenses"; No. 71, "Carhouse expenses"; No. 37, "Shop expenses"; No. 23, "Miscellaneous electric line expenses"; No. 67, "Miscellaneous car-service expenses"; or No. 69, "Station expenses," according to the use for which they are intended.

CASE 210.

Query. To what accounts should be charged the first cost and the cost of repairs and renewals of trolley retrievers and catchers?

Answer. The first cost shall be charged to road and equipment account No. 530, "Passenger and combination cars"; No. 531, "Freight, express, and mail cars"; No. 532, "Service equipment"; or No. 534, "Locomotives," according to the class of equipment fitted with the devices.

The cost of repairs and renewals shall be charged to operating expense account No. 30, "Passenger and combination cars"; No. 31, "Freight, express, and mail cars"; No. 32, "Service equipment"; or No. 34, "Locomotives," as may be appropriate.

CASE 211.

Query. To what account should be charged the cost of transformer oil for use in power plants or substations?

Answer. The first cost shall be charged to road and equipment account No. 542, "Power plant equipment," if the oil is for use in a power plant, or to account No. 543, "Substation equipment," if for use in a substation. The cost of renewals shall be charged to operating expense account No. 47 or No. 48, as may be appropriate.

CASE 212.

Query. To what accounts should be charged the cost of flowers and shrubs, the cost of labor for planting them about various buildings, and the cost of mowing lawns?

Answer. To operating expense account No. 24, "Buildings, fixtures, and grounds," No. 46, "Power plant buildings, fixtures, and grounds," or No. 71, "Carhouse expenses," as may be appropriate. If, however, the amounts involved are small and the work is done by employees of the company as incidental to their regular duties, it is not necessary to apportion the pay of such employees.

CASE 213.

Query. To what account should be charged a license fee paid in accordance with the State law relating to inspection?

Answer. To account No. 89. "Miscellaneous general expenses."

CASE 214.

Query. To what account should be charged the cost of a car body constructed for use as a portable substation?

Answer. Assuming that the car body in question is mounted on trucks as a car, the cost of its construction shall be charged to account No. 543, "Substation equipment."

CASE 215.

Query. To what account should be charged the wages paid by an electric railway to the crews of steam locomotives used in switching freight cars at terminals?

Answer. To operating expense account No. 65, "Freight and express conductors, motormen, and trainmen."

CASE 216.

Query. To what account should be charged the cost of renewals of lamp cord, electric lamps, sockets, and switches used in carhouses, shops, power plants, substations, freight stations, and passenger stations?

Answer. To operating expense account No. 71, "Carhouse expenses"; No. 37, "Shop expenses"; No. 56, "Miscellaneous power plant supplies and expenses"; No. 58, "Substation supplies and expenses"; or No. 69, "Station expenses," according to the place where the articles are used.

CASE 217.

Query. A city builds a new bridge of sufficient strength to carry heavy cars. A railway company extending its lines over it is asked to pay the excess cost of the bridge over that of one built for ordinary highway travel only. To what account should the railway company charge such a payment?

Answer. To account No. 502, "Right of way," in the classification for road and equipment. (See Case 194.)

CASE 218.

Query. An electric railway company is having a branch line built by contract for a lump sum, payment being made each month for the estimated portion of the work completed. No distribution of expenditures is furnished to the railway company. Should the entire cost of the branch line be included in account No. 527, "Cost of road purchased," in the classification for road and equipment?

Answer. It would be preferable to have the detailed distribution made of the amounts paid among the several primary accounts of the classification for road and equipment as the work is done; otherwise the entire cost may be charged to account No. 527, "Cost of road purchased," and cleared in accordance with the provisions of the text of this account.

CASE 219.

Query. To what account should be charged receivers' allowances and expenses?

Answer. To operating expense account No. 83, "Salaries and expenses of general officers," except that expenses incurred for legal services shall be charged as indicated in the text of account No. 86, "Law expenses."

CASE 220.

Query. To what account should be charged counsel fees paid for the preparation of the legal papers required in the merger of one electric railway company with another?

Answer. To account No. 546, "Law expenditures," in the classification for road and equipment.

CASE 221.

Query. To what account should an electric railway company charge the cost of concrete in which the ties are embedded and on which paving is laid?

Answer. The cost of the materials shall be charged to account No. 505, "Ballast," and the cost of labor to account No. 510, "Track and roadway labor."

CASE 222.

Query. To what account should be charged the cost of a passenger elevator in a power plant?

Answer. To account No. 539, "Power plant buildings," in the classification for road and equipment.

CASE 223.

Query. To what account should be charged the cost of filler blocks and guard rails used in connection with ordinary curves?

Answer. To account No. 507, "Rails, rail fastenings, and joints," in the classification for road and equipment.

CASE 224.

Query. To what accounts should be charged the cost of moving and maintaining tracks, portable crossovers, and other work necessary to maintain continuous operation during the progress of reconstruction work?

Answer. To the appropriate operating expense accounts under general account Way and Structures.

CASE 225.

Query. What account is chargeable with the cost of guard rails on bridges?

Answer. The cost of additional track rails laid to prevent cars from jumping the track shall be charged to road and equipment account No. 507, "Rails, rail fastenings, and joints." The cost of timbers or other devices placed at the sides of the bridge to prevent cars from leaving the structure if they jump the track shall be charged to account No. 515, "Bridges, trestles, and culverts." (See Case 115.)

CASE 226.

Query. To what account should be charged the cost of excavation for underground construction?

Answer. The cost of excavation for underground construction for a system operated by underground electric contact or cable shall be charged to road and equipment account No. 509, "Underground construction." Excavation for conduits for feeders or return wire or cables shall be charged to account No. 520, "Underground conduits."

CASE 227.

Query. To what account should be credited the amount received for advertising in time-tables?

Answer. The amount received for the sale of advertising space in time-tables shall be credited to operating expense account No. 80, "Advertising."

CASE 228.

Query. To what account should be charged the cost of land and of water rights incident thereto, when acquired for reservoirs and pipe lines?

Answer. To road and equipment account No. 503, "Other land used in electric railway operations."

CASE 229.

Query. To what accounts should be charged the cost of railway tracks and wagon roads built for exclusive service of water-power stations and the cost of wagon roads built to facilitate the patrolling of reservoirs, canals, etc.?

Answer. The cost of the tracks shall be distributed among the various construction accounts in the same way as the cost of other tracks. The cost of the wagon roads serving the power stations shall be charged to the account to which the cost of the power stations is charged. The cost of the wagon roads built to facilitate the patrolling of reservoirs, canals, etc., shall be charged to road and equipment account No. 541. "Dams, canals, and pipe lines."

CASE 230.

Query. To what account should be charged the cost of signs warning against a third-rail?

Answer. To account No. 516, "Crossings, fences, and signs."

CASE 231.

Query. To what account should be charged the loss sustained by an electric railway company from the hold-up of a conductor, or through the defalcation of a conductor?

Answer. To operating expense account No. 78, "Other transportation expenses."

CASE 232.

Query. Is it proper to charge the various operating expense accounts for the transportation of employees of the different operating departments?

Answer. No charge shall be made against a company's operating expenses on account of the free transportation over its own lines of men, on or off duty, employed in maintenance or operation.

CASE 233.

Query. To what accounts should be charged the cost of construction and maintenance of cars equipped as track riveting machines or portable substations?

Answer. The first cost of electric motive equipment for track riveting machines or for portable substations shall be charged to road and equipment account No. 533, "Electric equipment of cars." The first cost of car bodies and trucks for the track riveting machines, together with the cost of the machines, shall be charged to account No. 532, "Service equipment." The cost of car bodies and trucks for portable substations shall be included with the cost of the substation equipment in account No. 543, "Substation equipment."

The cost of maintenance of riveter cars shall be correspondingly assigned to operating expense accounts No. 33, "Electric equipment of cars," and No. 32, "Service equipment"; and of substation cars to account No. 48, "Substation equipment."

CASE 234.

Query. In making an extension of a power house, it was necessary to tear down the end wall. The salvage, with other material, was used in building a new wall. What disposition should be made of charges and credits in such a case?

Answer. The cost of wall removed shall be credited to the road and equipment account to which it is charged. The same cost, less the value of salvage, together with the cost of removal, shall be charged to Operating Expenses. The cost of the new wall shall be charged to road and equipment account No. 539, "Power plant buildings."

CASE 235.

Query. To what accounts should be charged the rent of rooms and the cost of telephone service for the claims department, which is accommodated in a portion of the space rented for general offices?

Answer. The rent shall be charged to operating expense account No. 85, "General office supplies and expenses," and the cost of telephone service to account No. 89, "Miscellaneous general expenses." (See Case 68.)

CASE 236.

Query. An electric railway company which owns a private right of way in a city is required to pave intersecting streets to the full width of the right of way. To what account should be charged the first cost of such paving?

Answer. To road and equipment account No. 511, "Paving." (See Case 134.)

CASE 237.

Query. To what accounts should be charged the cost of packing used in power plants, carbon rings for turbines, and power plant tools?

Answer. The cost of packing and of carbon rings for turbines shall be charged to operating expense account No. 47, "Power plant equipment"; the cost of repair parts of machine tools in power plants also to account No. 47; and the cost of hand tools to account No. 56, "Miscellaneous power plant supplies and expenses."

CASE 238.

Query. To what account should be charged the first cost of welding rail joints?

Answer. If the work is done on existing tracks, the cost shall be charged to operating expense account No. 5, "Rail fastenings and joints," unless the welded joint is more expensive and is a distinct improvement over the joint replaced, in which case the excess cost of the new joint over the original cost of the old one shall be charged to account No. 507, "Rails, rail fastenings, and joints," the remainder of the cost being charged to Operating Expenses, as indicated above. If the welding of joints is done as part of the original construction of the road, the entire cost shall be charged to account No. 507, "Rails, rail fastenings, and joints."

CASE 239.

Query. To what accounts should be charged the rent of a floor in a building to provide space for the receivers of conductors' collections, and for instruction and club rooms?

To what account should be charged the cost of maintaining the furniture and equipment of the club room, and incidental expenses therefor?

Answer. The rent of the portion of the building used for receiving and instruction rooms shall be charged to operating expense account No. 63, "Superintendence of transportation."

The rent of the portion used for recreation purposes, the maintenance of its furniture and equipment, and the incidental expenses of operation shall be charged to account No. 78, "Other transportation expenses." If the rent is an insignificant amount it may all be included in account No. 63, "Superintendence of transportation."

CASE 240.

Query. To what account should an electric railway company charge the loss resulting from a fire which destroyed a station building not covered by insurance?

Answer. If the building is not to be replaced, its cost shall be credited to road and equipment account No. 524, "Stations, miscellaneous buildings, and structures," and charged, less depreciation accrued, if any, to account No. 315, "Loss on road and equipment retired." If it is to be replaced, the original cost less depreciation accrued shall be charged to operating expense account No. 24, "Buildings, fixtures, and grounds," and not to Profit and Loss.

CASE 241.

Query. Is it permissible to make an apportionment of the rent paid for the use of land occupied by a building used in part as a carhouse, in part as a repair shop, and in part as a storeroom?

Answer. The entire amount of rent shall be charged to account No. 217, "Miscellaneous rents."

CASE 242.

Query. To what account should be charged the cost of repairs to a transformer located on a pole outside of a station building for the purpose of stepping down high-tension current in order to furnish electric light for the station?

Answer. To operating expense account No. 69, "Station expenses."

CASE 243.

Query. An electric railway company sells current delivered for power and light directly from the trolley line. To what account should be charged the first cost of meters installed in connection with this business, and the cost of reading the meters?

Answer. The cost of installing meters for the purpose described shall be charged to road and equipment account No. 521, "Distribution system." No charge shall be made for the wages of an employee who reads the meters, if it is done as incidental to his ordinary duties.

CASE 244.

Query. To what account should be credited the amount of a trainman's deposit not called for on his leaving the service of the company?

Answer. If the company chooses to close the liability account for such a deposit, the amount shall be credited to profit and loss account No. 306, "Miscellaneous credits."

CASE 245.

Query. A company operates a coal mine as an auxiliary operation, the railway department furnishing cars to haul material for maintenance and construction in the coal mining department and rendering bill for the cost of power used, the cost of maintaining the cars, and the wages of the train crews. To what account should the railway department credit amounts so received?

Answer. The amounts received for the maintenance of the cars and for power shall be credited to accounts Nos. 43 and 62, "Other operations—Cr.," respectively, while the amounts received for the wages of the train crews shall be credited to the accounts to which the wages were originally charged.

CASE 246.

Query. To what account should be charged the cost of tracing cloth and blue-print paper used by the engineering department?

Answer. To operating expense account No. 94, "Stationery and printing."

CASE 247.

Query. To what accounts should be charged the cost of constructing and maintaining a line of railway on right of way held under perpetual lease?

Answer. The cost of construction shall be charged to the appropriate accounts in the classification for road and equipment, and the cost of maintenance to Operating Expenses.

CASE 248.

Query. To what account should be charged the wages paid to flagmen employed to facilitate car movement during renewals of track?

Answer. To operating expense account No. 66, "Miscellaneous car-service employees."

CASE 249.

Query. To what account should be credited the value of scrap which is recovered in making renewals of trolley brackets but is not to be sold until later—perhaps after the close of the fiscal year?

Answer. The estimated salvage value shall be credited to operating expense account No. 20, "Poles and fixtures," at the time of the renewals. Any adjustment necessary when the material is sold shall also be made through Operating Expenses.

CASE 250.

Query. A company desires to set up in the depreciation reserve account the estimated amount of depreciation which has accrued from the beginning of its operations to the present. How should such adjustment be entered in the accounts?

Answer. That proportion of the charges representing depreciation on equipment covered by accounts Nos. 530 to 535, inclusive, and assignable to the period prior to July 1, 1914, shall be included in profit and loss account No. 317, "Miscellaneous debits," and a corresponding reserve created; that proportion of depreciation on such equipment assignable to the period subsequent to July 1, 1914, will have been provided for by the required monthly charges to operating expense account No. 40, "Depreciation of equipment," the corresponding credits being made to balance-sheet account No. 443, "Accrued depreciation—Road and equipment."

If a company desires to make an adjustment of depreciation on fixed improvements and property not included in accounts Nos. 530 to 535, inclusive, that proportion of such depreciation assignable to the period prior to the current fiscal year shall be charged to profit and loss account No. 317, "Miscellaneous debits," and the proportion assignable to the current fiscal year to accounts No. 25, "Depreciation of way and structures," and No. 50, "Depreciation of power plant buildings and equipment," as may be appropriate, and a corresponding reserve created.

CASE 251.

Query. An electric railway company is required to lay improved paving and before doing so puts its tracks in good repair. To what accounts should be charged the cost of the track work and of the paving?

Answer. The cost of labor and material used in the track work shall be charged to the appropriate operating expense accounts. The excess cost of the new and improved paving over the original cost (estimated, if not known) of the paving replaced shall be charged to road and equipment account No. 511, "Paving," and the remainder of the cost to operating expense account No. 10, "Paving."

CASE 252.

Query. To what account should be charged such part of the cost of restoring a trestle destroyed by fire as is in excess of the amount of insurance recovered?

Answer. To operating expense, account No. 15, "Bridges, trestles, and culverts," except that any excess in the cost of the new trestle over the cost of the old as carried in the construction accounts shall be charged to road and equipment account No. 515, "Bridges, trestles, and culverts."

CASE 253.

Query. To what accounts should be charged the first cost and cost of maintenance of telephone booths located along the track in public ways for use in dispatching cars or trains?

Answer. The first cost shall be charged to road and equipment account No. 518, "Telephone and telegraph lines," and the cost of maintenance to operating expense account No. 18, "Telephone and telegraph lines."

CASE 254.

Query. An interurban electric railway engaged in passenger and freight business derives a portion of its revenue from switching steam railroad cars. To what account should be charged demurrage incurred on these steam railroad cars?

Answer. To operating expense account No. 78, "Other transportation expenses." If, in any case, a portion of the demurrage is recovered from the consignee or shipper, only the net amount payable shall be included in account No. 78.

CASE 255.

Query. To what account should be charged the cost of printing cards and passes for the use of officers and employees of the company?

Answer. To operating expense account No. 94, "Stationery and printing."

CASE 256.

Query. To what account should be charged expenditures, in connection with construction, for grading parkways between tracks on streets?

Answer. To road and equipment account No. 504, "Grading."

CASE 257.

Query. To what accounts in the classification for road and equipment should be charged the cost of building and maintaining timekeepers' offices and temporary tool and supply houses; also the rent of ground in connection therewith?

Answer. On the assumption that the expenditures referred to are in connection with construction, the cost of building and repairing and the rent paid for ground in connection therewith shall be included in the accounts to which the cost of the work is charged. Any salvage recovered at the conclusion of the work shall be credited to accounts charged.

CASE 258.

Query. To what account should be credited the proceeds received from the sale of a construction grading camp? This camp was built and maintained for the purpose of boarding men employed in grading during the construction period.

Answer. Assuming that the cost of constructing the grading camp was charged to road and equipment account No. 504, "Grading," the proceeds from the sale of the camp shall be credited to that account.

CASE 259.

Query. At one of the stations on an interurban line a spur track is maintained for convenient handling of freight. Alongside of this spur track is a plank driveway which the company has to repair. To what account should be charged the cost of this repairing?

Answer. To operating expense account No. 24, "Buildings, fixtures, and grounds."

CASE 260.

Query. Railway companies A, B, and C built a joint railway and highway bridge across a stream between two counties. The cost of the bridge was borne jointly by the three railway companies and the two counties. The contract between the railway companies for the erection and operation of the bridge provides that each company shall receive credit for one-third of the amount

contributed by the counties, as each company will have borne one-third of the cost of maintenance and operation.

The bridge is to be maintained and operated by Company A, Companies B and C paying each one-third of the cost, and the counties contributing a stated amount per annum for the maintenance of the highway portion. Company A has charged its proportion of the cost of maintenance and operation to accounts No. 15, "Bridges, trestles, and culverts"; No. 17, "Signal and interlocking apparatus"; No. 59, "Power purchased"; No. 66, "Miscellaneous car-service employees"; and No. 78, "Other transportation expenses." Is this correct? And how should the amount paid by the counties be credited in the railway companies' accounts?

Answer. The accounting is correct. Assuming that the distribution of the cost of maintaining and operating the bridge is charged to the proper operating expense accounts of each company, the amounts received from the counties shall be credited by each company to the primary accounts affected.

CASE 261.

Query. A company has made a change in the alinement of its tracks in order to avoid conditions dangerous to the public. In connection with the work there has been considerable expense in resetting curbs and repaving sidewalks. Should the cost of changing curbs and sidewalks be charged to road and equipment accounts?

Answer. The cost of relocating and relaying curbs in connection with realignment of tracks, in order to make operations safer, shall be charged to the proper maintenance accounts in operating expenses. If new curbs have been constructed or new paving laid where none existed previously, the cost thereof shall be charged to the proper road and equipment accounts.

CASE 262.

Query. When a station is built at a point where the right of way is wide enough to accommodate it, should the cost of the land upon which the station is built be credited to account No. 502, "Right of way," and debited to account No. 503, "Other land used in electric railway operations"?

When a station is built at a point where the right of way is wide enough to accommodate only a part of the station, and additional property is purchased, the width added to the right of way making it no wider than the right of way at other near-by points, should the additional property purchased be charged to account No. 503 or account No. 502?

Answer. If the company in purchasing a right of way does not purchase an additional width in the expectation of using the same for station or other purposes, the entire cost of the property shall be charged to account No. 502, "Right of way."

If the company purchases an additional width for the purpose of using it at once or in the future for purposes other than construction of roadbed, the value of this additional land shall be charged to account No. 503, "Other land used in electric railway operations."

CASE 263.

Query. A company moved a special train at a guaranty of a specified lump sum. The total fares of the passengers on this train did not equal the guaranty, based on the local tariff, leaving a deficiency of \$15.20. To what account should the deficiency be credited when collected?

Answer. Both fares and deficiency shall be credited to account No. 103, "Parlor, sleeping, dining, and special car revenue."

CASE 264.

Query. A company has been compelled by a state highway commission to move about 1,000 feet of its track from the side to the center of the road, and also to pave between the rails. To what accounts should be charged the cost of moving the track and of paving?

Answer. If no additions or betterments were made in connection with the transfer of the track from the side to the center of the road, the expense incurred in connection with this removal shall be charged to Operating Expenses.

If there was no paving between the rails as originally laid, and paving has been put in after the removal of the tracks to the center of the road, the cost of the paving, being additional, shall be charged to road and equipment account No. 511, "Paving." If, however, there was similar paving between the rails before the track was moved, the cost of paving in the center of the road shall be charged to operating expense account No. 10, "Paving."

CASE 265.

Query. A company has expended a considerable sum in new construction which will not be completed until September 1. Is it necessary to distribute the amount expended to June 30 to the primary construction accounts, or may the balance be carried in suspense till the work is completed?

Answer. The expenditure to June 30 shall be distributed, if possible, to the appropriate road and equipment accounts and so reported in the annual report to the Commission for the year ending June 30. If it is impossible to properly distribute such expenditure, the amount thereof may be carried over the fiscal year and reported on the balance sheet under an appropriate title in account No. 420, "Other unadjusted debits."

CASE 266.

Query. This company is taking up 40-pound rail which was laid about 10 years ago, and is about to lay 70-pound rail in its place. The cost of the old rail will be taken out of the road and equipment accounts, and the cost of the new rail charged thereto. What account should be charged with the cost of labor taking up the old rail?

Answer. The cost of labor expended in taking up old rail for the purpose of replacing same and the cost of labor for laying the new rail shall be charged to operating expense account No. 8, "Track and roadway labor."

CASE 267.

Query. To what account should be charged interest on unpaid paving taxes or assessments, such taxes or assessments being made by the municipality to cover the cost of paving between tracks? Such assessments may be paid in full at the time the assessment is made, or may be paid in 10 or more annual installments with the interest on the unpaid balance at a fixed rate.

Answer. Interest on unpaid paving assessments levied by a municipality shall be charged to income account No. 221, "Interest on unfunded debt."

CASE 268.

Query. This company has considerable expense in connection with fire drills at its various shops and carhouses, or on its ferryboats. To what accounts should such expenses be charged?

Answer. If the expenses incident to fire drills are of sufficient amount to warrant it, they shall be charged to operating expense account No. 24, "Buildings,

fixtures, and grounds," if incurred at shops and carhouses; or to account No. 35, "Floating equipment," if on ferryboats. Although men are taken from other work to go through fire drills, in most cases this expense is small, and if the segregation of such expense would result in an undue refinement of accounting, there is no objection to including such expense in the accounts to which the men's wages ordinarily are charged.

CASE 269.

Query. To what accounts should be charged the cost of fighting fires?

Answer. The distribution of the expense of fighting fires shall be determined by the nature of the property protected. If the expense is incurred for protection of the roadway, account No. 19, "Miscellaneous way expenses," shall be charged; if to protect electric lines, poles, and fixtures, the charge shall be to account No. 23, "Miscellaneous electric line expenses"; if to protect buildings other than power plants and substations, the charge shall be to account No. 24, "Buildings, fixtures, and grounds"; if to protect power plant and substation buildings, the charge shall be to account No. 46, "Power plant buildings, fixtures, and grounds."

CASE 270.

Query. When rails are welded with an electric-arc welder, thus doing away with rail bonds, should any portion of the expense of welding be charged to account No. 22, "Distribution system," or should the entire expense, including both labor and material, be charged to account No. 507, "Rails, rail fastenings, and joints"?

Answer. The cost of welding rails with an electric-arc welder, thus doing away with existing rail bonds, shall be charged to Operating Expenses, the cost of material being charged to account No. 5, "Rail fastenings and joints," and the cost of labor to account No. 8, "Track and roadway labor."

If the welding is done in connection with new construction, the cost of material shall be charged to account No. 507, "Rails, rail fastenings, and joints," and the cost of labor to account No. 510, "Track and roadway labor."

CASE 271.

Query. To what account should be charged the cost of filling the cups in rails, caused by bad joints? This work is done with an electric-arc welding machine. When the cup is not at the end of the rail, to what account should be charged the cost of filling it?

Answer. The cost of material used in filling cups in rails shall be charged to operating expense account No. 4, "Rails," and the cost of labor in connection therewith to account No. 8, "Track and and roadway labor," whether the cup is at the end of the rail or not.

CASE 272.

Query. To what account should be charged the cost of building up chipped or worn places or broken points in special work, this work being done with an electric-arc welding machine?

Answer. The cost of material used in building up chipped or worn places or broken points in special work shall be charged to operating expense account No. 6, "Special work," and the cost of labor in connection therewith to operating expense account No. 8, "Track and roadway labor."

CASE 273.

Query. Company A repairs its own cars and also those belonging to Company B. Company A charges Company B with the actual cost of material and labor in making the repairs. It is desired to charge also to Company B a proper proportion of the storeroom expenses of Company A. How should this be treated in the accounts?

Answer. The carrier making the repairs (Company A) shall credit operating expense account No. 95, "Store expenses," and the company whose cars are repaired (Company B) shall debit the same account for the proportion of storeroom expense billed by the former against the latter company. Such items shall not be treated through the accounts "Other operations—Dr." or "Cr."

CASE 274.

Query. What is meant by the term "other rail equipment" in operating expense account No. 98, "Rent of equipment"? Is it intended to cover equipment such as steam rollers and pile drivers?

Answer. The term "other rail equipment" as used in account No. 98 is intended to include regular rail equipment only. The rent of a steam roller, pile driver, or similar equipment used in maintenance work shall be charged directly to the work upon which such equipment is used.

CASE 275.

Query. This company has recently converted several ordinary cars into pay-as-you-enter cars. To what account should be charged the royalty we pay to the patentees?

Answer. A royalty paid on the patent in connection with the conversion of an ordinary passenger car into a pay-as-you-enter car shall be charged to road and equipment account No. 530, "Passenger and combination cars."

CASE 276.

Query. This company erects car-stop signs, which are sometimes hung on span wires or fastened on iron pipes especially erected for that purpose. To what account should this expense be charged?

Answer. The original cost of the car-stop signs and of the pipes for their support shall be charged to road and equipment account No. 516, "Crossings, fences, and signs." The cost of repairing the signs and pipes shall be charged to operating expense account No. 16, "Crossings, fences, and signs."

CASE 277.

Query. This company has a rail grinder, which grinds down the uneven portions of the rail; it is propelled by electric power and runs upon the tracks. We also have a bonding machine, run by electric power, which is used to solder the bonds at the rail joints. Should the rail grinder and the bonding machine be considered as tools or as equipment?

Answer. If the rail grinder and bonding machine are permanently mounted on wheels or cars and move over the carrier's tracks, they shall be considered equipment; if not mounted, they shall be considered as tools.

CASE 278.

Query. This company sells commutation coupon-ticket books which expire upon the last day of the month in which sold. Is it permissible to credit to "Passenger revenue" the revenue derived from the sale of these ticket books, or should a suspense account be opened and the credit made to passenger revenue as the coupons are honored?

Answer. It is permissible to credit to account No. 101, "Passenger revenue," as the sales are made, the proceeds from sales of monthly commutation ticket books which expire upon the last day of the month in which sold.

CASE 279.

Query. What account should be charged with the cost of paving done in connection with the renewal of rails, fastenings, and joints?

Answer. The cost of taking up and replacing paving in connection with the renewal of rails, fastenings, and joints shall be charged to operating expense account No. 10, "Paving."

CASE 280.

Query. To what account should be charged the premium paid on a judicial bond necessary in connection with the appeal of an injuries case?

Answer. To operating expense account No. 92, "Injuries and damages."

CASE 281.

Query. To what account should be charged the cost of snow scrapers, if it is decided to charge the cost to Operating Expenses?

Answer. If the snow scrapers are mounted, forming units of service equipment, the original cost shall be charged to road and equipment account No. 532, "Service equipment." If, however, the snow scrapers are attachable to revenue cars, their cost shall be charged to road and equipment account No. 530, "Passenger and combination cars"; No. 531, "Freight, express, and mail cars"; or No. 534, "Locomotives," as may be appropriate. If attachable to service cars the cost of the scrapers shall be charged to road and equipment account No. 532, "Service equipment."

If the total cost of the snow scrapers is less than \$200, it may be charged to operating expense account No. 30, "Passenger and combination cars"; No. 31, "Freight, express, and mail cars"; No. 32, "Service equipment"; or No. 34, "Locomotives," as may be appropriate.

CASE 282.

Query. In purchasing a piece of right of way a railway company agreed to put in a road crossing at a certain point. Later, however, the company paid the former owner of the right of way a certain amount of cash in order to relieve the company from putting in the crossing. Should this latter amount be charged to account No. 502, "Right of way," or to No. 516, "Crossings, fences, and signs"?

Answer. The amount paid for the purpose of relieving the company of the necessity of putting in a road crossing shall be charged to account No. 502, "Right of way," for the reason that the price originally paid for the right of way was undoubtedly reduced because the railroad company had agreed to install a crossing.

CASE 283.

Query. To what accounts should be charged amounts paid as rent of power plant units and transformers to be used in emergency cases?

Answer. To account No. 56, "Miscellaneous power plant supplies and expenses."

CASE 284.

Query. A company purchased a portable substation mounted on wheels and equipped to be moved from point to point and to be connected with the high-voltage line in order to deliver current to the distribution system. To what accounts should be charged the cost of this substation and the cost of its maintenance?

Answer. The first cost of the substation shall be charged to account No. 543, "Substation equipment," and the cost of maintenance to account No. 48, "Substation equipment."

CASE 285.

Query. An interurban line carries milk on equipment used solely in freight service and the rates are included in its freight tariff. The milk is never carried on passenger cars. To what account should be credited revenue derived from the above source?

Answer. Revenue received from the transportation of milk, whether on passenger or freight trains, shall be credited to account No. 106, "Milk revenue."

CASE 286.

Query. To what account should be credited the value of unredeemed passenger tickets when written off annually?

Answer. To account No. 101, "Passenger revenue."

CASE 287.

Query. To what account should be charged—

- (1) The cost of cleaning and washing cars?
- (2) The cost of rebonding rails?
- (3) The cost of taking off storm sashes and putting guard rails on cars?
- (4) The cost of painting and varnishing cars?

Answer. (1) To account No. 67, "Miscellaneous car-service expenses."

(2) To account No. 22, "Distribution system."

(3) (4) To account No. 30, "Passenger and combination cars"; account No. 31, "Freight, express, and mail cars"; or account No. 32, "Service equipment," as may be appropriate.

CASE 288.

Query. To what account should be charged the original cost of an automobile used by the chief engineer of a railway company who has charge of the power house and line department of the railway and of allied lighting companies?

Answer. The cost of the automobile shall be charged by the company which owns it to road and equipment account No. 538, "Miscellaneous equipment." If the automobile is owned by several companies the cost shall be apportioned to their respective property accounts upon an equitable basis.

CASE 289.

Query. A company has a power plant where it is necessary to load cinders by hand. The cinders are loaded on cars by the track department and hauled to points on the line where they are unloaded and used for grading and widening the roadbed. Should the entire expense be charged to maintenance of way and structures, or should some portion be charged to the operation of power plant?

Answer. The cost of removing cinders shall be charged to the operation of power plant. The cost of hauling and unloading the cinders used for maintenance purposes shall be charged to the appropriate accounts according to the use made thereof.

CASE 290.

Query. To what account should be charged the cost of superintending the maintenance of floating equipment?

Answer. To account No. 29, "Superintendence of equipment."

CASE 291.

Query. A company lays tiling between rails lengthwise with the track, for the purpose of draining the roadbed. To what accounts should be charged the cost of the tiling and the labor of laying same?

Answer. The original cost of tiling and labor laying same shall be included in road and equipment account No. 504, "Grading." If the charges are for maintenance, the amount paid for labor shall be charged to account No. 8, "Track and roadway labor," and the cost of material to account No. 9, "Miscellaneous track and roadway expenses."

CASE 292.

Query. To what account should be charged wages of track or section foremen engaged in maintenance work?

Answer. To account No. 8, "Track and roadway labor."

CASE 293.

Query. Please define the word "appliances" as used in account No. 32, "Service equipment."

Answer. The term "appliances" is intended to include all devices, except the electric motive equipment, which are attached to the car and not used separately therefrom. Devices shall be considered as "appliances" if they form a necessary part of the mechanism permanently affixed to the car.

CASE 294.

Query. Should the cost of tools forming a necessary part of the mechanism permanently attached to a service car be charged to account No. 532, "Service equipment," or to account No. 9, "Miscellaneous track and roadway expenses"?

Answer. The original cost of tools or appliances (except electric motive equipment) permanently attached to a service car or forming a necessary part of the mechanism permanently attached to the car shall be charged to account No. 532, "Service equipment." The cost of maintenance shall be charged to account No. 32, "Service equipment."

CASE 295.

Query. To what account should be charged the salaries and expenses of clerks employed to investigate and keep records of loss and damage and overcharge claims?

Answer. The pay and expenses of clerks other than agency employees, when engaged exclusively in recording, investigating, and adjusting loss, damage, and overcharge claims, shall be charged to account No. 84, "Salaries and expenses of general office clerks."

CASE 296.

Query. This company has a car which cost \$5,000 and upon which depreciation amounting to \$1,500 has accrued. Because of an accident the car is unfit for service on the main line, but it has been repaired and is to be used on a small branch line. Is it necessary to make any adjustment in the road and equipment accounts; and may the reserve for accrued depreciation be charged with the repairs?

Answer. No adjustment shall be made in the road and equipment accounts until the car is permanently retired from service. In the present case, the cost of repairs shall be included in the appropriate repair accounts. If, however, additions or betterments (as defined in section 2, page 91, of the Uniform System of Accounts) are made during the process of reconstruction, the cost of the additions or betterments shall be included in the appropriate road and equipment accounts.

No charge shall be made against the reserve for accrued depreciation for repairs of equipment unless the equipment is converted from one class to another, in which case charge shall be made to balance-sheet account No. 443, "Accrued depreciation—Road and equipment," in accordance with instructions contained in section 6, page 92, of the Uniform System of Accounts for Electric Railways.

CASE 297.

Query. A company owning property which extends some distance out into a river has driven piles along the boundary line as a retaining wall. Contractors doing excavating nearby are paying for the privilege of dumping dirt upon this property. To what account should be credited such collections?

Answer. Assuming that the value of the land is not diminished, the amounts received from others for the privilege of dumping dirt upon it shall be credited to income account No. 212, "Miscellaneous income."

CASE 298.

Query. A company is required by its mortgage to keep 300 of its bonds, or the proceeds thereof, in a fund which can be used only for the payment of the cost of new property acquired, or for additions, extensions, and permanent improvements. Under what balance-sheet account should be included the par value of the bonds or the proceeds thereof?

Answer. The par value of the bonds held in the company treasury, unsold, shall be included in balance-sheet account No. 421, "Securities issued or assumed—Unpledged." When the bonds are sold the proceeds, until used, should be included in balance-sheet account No. 408, "Special deposits."

CASE 299.

Query. This company has an agreement with the city whereby it has a right to locate, maintain, and use tracks across a public bridge. For this privilege we pay the city a fixed amount annually. To what account should this item be charged?

To what account should be charged the cost of maintaining the tracks, poles, wires, etc., and the paving and planking on the bridge?

Answer. The amount paid annually to the city for the right to locate, maintain, and use tracks across the bridge shall be charged to income account No. 215, "Taxes assignable to railway operations."

The cost of maintaining and repairing the tracks, poles, wires, paving, and planking shall be charged to the same primary maintenance accounts as though the company owned the bridge.

CASE 300.

Query. (1) A company operating a light plant as an auxiliary operation has, in connection with the light business, considerable expense which has no bearing whatever on the railway expenses. Is it permissible to charge directly to account No. 214, "Auxiliary operations—Expenses," the expenses which are incurred solely in connection with the light business?

(2) In one of the cities through which this company operates it furnishes power from a line used to operate the railroad. In addition, there is a further investment for poles and fixtures which are not used in the operation of the railway, but are used exclusively in the light business. Is it permissible to include the cost of the poles and fixtures used exclusively in the light business in balance-sheet account No. 404, "Miscellaneous physical property"?

Answer. (1) Expenses incurred solely in connection with the auxiliary operation, no proportion of which expenses is properly includible as a part of the cost of operating the railway, shall not be charged to the railway expense accounts. All expenses, however, in connection with the production or purchase of power used for both railway and light purposes shall be included in the appropriate primary accounts of the railway general account Power. The proportion of such power expenses assignable to the light department shall then be cleared from the railway expenses by crediting railway operating expense account No. 62, "Other operations—Cr.," and charging account No. 214, "Auxiliary operations—Expenses." If the expenses referred to are not those which enter into the cost of power production, they need not be included in the railway operating expenses.

(2) The cost of poles and fixtures used exclusively in the light business shall be included in the appropriate primary accounts of the road and equipment classification.

It has been found impracticable to make a complete and equitable separation of the investment in property used in the joint production of power as between the railway and light business. Therefore the cost of all equipment and structures, including property used exclusively in the light business, shall be charged to the appropriate road and equipment accounts.

There is no objection, however, to keeping the investment in poles and fixtures used exclusively in the light business separate from the investment in railway property, provided all charges thereto are classified in accordance with the primary accounts of the road and equipment classification. In compiling annual reports to this Commission the investment in the light property shall be merged with that for investment in the railroad property and the total reported.

CASE 301.

Query. A company in acquiring a right of way was compelled to purchase an orchard and now owns orchard lands on both sides of its right of way. The company has continued to cultivate the orchard. To what accounts should be charged the cost of the orchard and the cost of its cultivation?

Answer. The cost of the portion of the orchard acquired for right-of-way purposes shall be charged to account No. 502, "Right of way," and the remainder of the cost to account No. 404, "Miscellaneous physical property." The expenses incident to the care and cultivation of the orchard shall be charged to account No. 205, "Net income from miscellaneous physical property," or to account No. 219, "Net loss on miscellaneous physical property," as may be appropriate. (See note, account No. 404.)

CASE 302.

Query. Should account No. 95, "Store expenses," include the salaries of the purchasing agent and his staff as well as the cost of maintaining storeroom buildings?

Answer. The salary of the purchasing agent shall be charged to account No. 83, "Salaries and expenses of general officers." The salaries of the staff of the purchasing agent, if employed in the general office, shall be charged to account No. 84, "Salaries and expenses of general office clerks." The salaries of employees engaged in the storeroom shall be charged to account No. 95, "Store expenses." The cost of maintaining storeroom buildings shall be charged to operating expense account No. 24, "Buildings, fixtures, and grounds."

CASE 303.

Query. To what account should be charged depreciation on equipment the cost of which is included in road and equipment account No. 538, "Miscellaneous equipment"?

Answer. If depreciation has accrued on equipment the cost of which is included in account No. 538, "Miscellaneous equipment," it shall be included in account No. 40, "Depreciation of equipment," additional subaccounts being opened thereunder to cover the classes of equipment upon which depreciation has accrued.

CASE 304.

Query. Is it proper to charge to operating expense account No. 70, "Carhouse employees," the salaries and expenses of employees engaged in inspecting freight equipment out on the line, as well as of employees in the carhouses?

To what account should be charged the wages of inspectors superintending the movement of cars?

Answer. Account No. 70, "Carhouse employees," is intended to include the wages and expenses of inspectors of equipment, whether in the carhouses or on the road.

The wages of inspectors employed in superintending or facilitating the movement of cars and assisting in the superintendence of transportation generally shall be charged to account No. 63, "Superintendence of transportation."

CASE 305.

Query. To what account should be charged the salary and expenses of a car-service agent and his office clerks?

To what account should be charged the cost of icing refrigerator cars?

Answer. The salaries and expenses of a car-service agent and his clerks shall be charged to account No. 63, "Superintendence of transportation."

The cost of icing refrigerator cars shall be charged to account No. 67, "Miscellaneous car-service expenses."

CASE 306.

Query. To what accounts should conductors' and motormen's wages be charged when they are engaged in work other than revenue service?

To what account should their time be charged when deadheading cars from one carhouse to another for repairs?

Answer. If the conductors and motormen are engaged in construction or maintenance work, their wages shall be charged to the appropriate road and equipment or operating expense primary accounts, according to the purpose for which the equipment is being used.

The wages of conductors and motormen employed in deadheading cars from one carhouse to another for repairs shall be charged to the primary account to which the repairs of such cars are chargeable.

CASE 307.

Query. Prior to July 1, 1914, whenever an unusually heavy expenditure was incurred which was chargeable to a particular primary operating expense account the total amount of the item was charged to a suspense account and written off, in equitable monthly proportions, to the proper primary account, thus producing not only an even monthly showing in the general accounts but in the primary accounts as well. We are aware that the equalization accounts are provided for the purpose of equalizing the fluctuations in operating expenses, by general account totals, but desire to have the equalization results reflected in the primary accounts and desire permission to continue the use of the operating expense suspense account as indicated above. Will this method be permissible, providing the expenses are adjusted annually so that the actual expenses for the year will be included in operating expenses?

Answer. There is no objection to charging the operating expense primary accounts each month with an equitable monthly proportion of the total amount of authorized or approximated expenses for the year, regardless of the month in which the actual work is done. The suspense accounts, however, shall be adjusted at the end of the year, so that only the actual amount of operating expenses shall be included in the primary accounts.

CASE 308.

Query. To what account should a carrier credit the amount of interest which has been charged to construction? This company has no funded debt. Are we permitted to charge to construction the interest on the company's working funds used for construction purposes?

Answer. Interest charged to construction shall be included in account No. 547, "Interest during construction," and corresponding credit shall be made to the account which was charged as such interest accrued. If no interest actually accrued or was paid, account No. 547 may include a reasonable charge for interest during the construction period on the carrier's own funds used temporarily, the corresponding credit being made to account No. 208, "Income from unfunded securities and accounts."

CASE 309.

Query. Is account No. 40, "Depreciation of equipment," intended to include any equipment other than that commonly termed "rolling stock"? Should it include equipment the cost of which is charged to account No. 538, "Miscellaneous equipment"?

Answer. Account No. 40, "Depreciation of equipment," is intended to include charges on equipment covered by road and equipment accounts Nos. 530 to 535, inclusive. Account No. 40 does not require charges for depreciation accrued on equipment included in account No. 538, "Miscellaneous equipment." Carriers desiring to charge depreciation accrued on shop equipment, furniture, or miscellaneous equipment covered by accounts Nos. 536 to 538, inclusive, may open additional subaccounts therefor under account No. 40.

CASE 310.

Query. A company has acquired by long-term lease an electric railway property. In connection with the text of account No. 40, "Depreciation of equipment," there is a doubt as to the valuation on which depreciation should be figured. Should the lessee company's rate of depreciation be based on the appraised or estimated value of the equipment when received, or on such value as of July 1, 1914, or on the original cost to the lessor company?

Is a lessee company required to provide a depreciation reserve covering the entire estimated life of the equipment leased from (1) the date of purchase or first use by the lessor, or from (2) the date on which the lessee acquired the equipment, or from (3) July 1, 1914?

Answer. The basis on which depreciation on equipment shall be charged is the original cost (estimated if not known), record value, or purchase price. If the equipment was appraised on July 1, 1914, or when received, the appraised value shall be used, provided the ledger value has been adjusted to such appraised value. In section 14, page 19, of the Uniform System of Accounts, the first paragraph provides that "depreciation charges with respect to property or equipment shall cease when the difference between the ledger value (estimated if not known) and the estimated scrap value shall have been credited to the depreciation reserve account."

The date from which a lessee company is required to provide a depreciation reserve on leased equipment will depend upon the terms of the lease. If the lessee company has agreed to be responsible for the complete maintenance of the equipment it will be necessary for such company to account for depreciation from the date the equipment is received by it. If such is the agreement and the lessee company has not accounted for depreciation prior to July 1, 1914, then the depreciation which is assignable to the period during which the equipment was held by the lessee prior to July 1, 1914, may be charged to Profit and Loss either immediately or when the equipment is retired or returned.

CASE 311.

Query. A company is operating cars which it purchased about 10 years ago. Prior to July 1, 1914, no depreciation accrued on these cars. Are we required to account for depreciation during the remaining life of the car sufficient to provide for its retirement? In other words, must our charge to the depreciation account for the remaining years of the life of the car be sufficient to cover the entire depreciation which accrued from the date of purchase, which was prior to July 1, 1914?

Answer. It is intended that the operating expenses for each month, or each year, shall include sufficient reserve to provide for the current loss from depreciation accruing during that period. Therefore, beginning with July, 1914, each month's operating expenses shall be charged, under account No. 40, "Depreciation of equipment," with a monthly proportion of the estimated depreciation accruing during the year. It is not intended that the operating expenses of the period during which equipment is used subsequent to July 1, 1914, shall bear the entire depreciation on equipment which was in service prior to that date.

CASE 312.

Query. Account No. 209, "Income from sinking fund and other reserves," provides that "this account shall include the income accrued on cash, securities (not issued or assumed by the accounting company), and other assets held in sinking and other reserve funds." To what account should be credited the income on securities issued or assumed by the accounting company?

Answer. Under the rules contained in accounts No. 220, "Interest on funded debt," and No. 310, "Dividend appropriations of surplus," it is provided that a company shall not include therein interest or dividends upon funded debt or stocks issued or assumed by the company and owned by it. Interest on funded debt and dividends on stocks may accrue or be paid only on securities not held by or for the accounting company.

If contractual requirements necessitate increasing the sinking fund annually by the amount of income which would have accrued on the company's own securities if they were not owned by the company, such amount may be charged to account No. 309, "Appropriations of surplus to sinking fund and other reserves," and credited to the appropriate reserve account. The equivalent of this sum may then be paid in cash into the reserve fund, in which case "Cash" shall be credited and account No. 402, representing the sinking fund assets, shall be correspondingly charged.

CASE 313.

Query. This company purchased, according to the provision in one of its mortgages, \$8,000 (par value) of its bonds, for cash, at a premium of 1 per cent, amounting to \$80, plus accrued interest amounting to \$185.56.

- (1) To what account should be charged the premium of \$80?
- (2) To what account should be charged the interest amounting to \$185.56?
- (3) Should any adjustment be made for the face value, \$200, of the attached coupons next falling due, interest amounting to \$185.56 having accrued?

Answer. (1) The premium of \$80 shall be charged to account No. 317, "Miscellaneous debits," in accordance with the text of that account.

(2) The accrued interest of \$185.56 shall be charged to the account to which credit had been made for accrued interest.

(3) No adjustment as to the coupons is necessary, for the reason that it is not permissible for carriers to enter accruals of interest on bonds issued or assumed by them and reacquired.

CASE 314.

Query. Is it correct to charge to account No. 98, "Rent of equipment," demurrage paid on cars billed to our line on interline business?

If demurrage is paid on cars containing company coal, should such demurrage payments be included in the cost of the coal?

Answer. Demurrage paid on cars in interline revenue business shall be charged to account No. 98, "Rent of equipment."

Demurrage paid on cars containing company coal shall be charged to the coal supply account, thus entering into the cost of coal included in operating expenses.

CASE 315.

Query. Note B of account No. 40, "Depreciation of equipment," provides that depreciation assignable to the period prior to July 1, 1914, shall be charged to Profit and Loss. Is it the intention that the proportion of the actual loss from depreciation assignable to the period prior to July 1, 1914, shall be charged to Profit and Loss now, or shall it be charged thereto in the future, when the equipment is retired?

Answer. The charge to Profit and Loss for depreciation prior to July 1, 1914, may be made before or at the time of retirement of equipment. If the depreciation assignable to the period prior to July 1, 1914, is charged off before the equipment is retired, the credit shall be made to account No. 443, "Accrued depreciation—Road and equipment." If the depreciation assignable to the period prior to July 1, 1914, is not charged off until the equipment is retired, it shall be accounted for in accordance with the instructions contained in the last paragraph of section 14, page 19, of the Uniform System of Accounts.

CASE 316.

Query. Is it permissible to make a rental charge against a light department conducted by an electric railway for the use of poles and lines used jointly for both railway and light purposes?

Answer. No. It is proper, however, to charge the light department with an equitable proportion of the cost of maintaining poles and lines used jointly by the railway and light departments. Such joint expenses shall be first charged to the railway operating expense accounts, and the proportion assignable to the light department shall be cleared from the railway operating expenses by charging the light department and crediting account No. 27 or No. 62, "Other operations—Cr.," as may be appropriate.

CASE 317.

Query. This company has purchased an auto truck, which will be used for carrying newspapers and, by electricians, for repairing overhead wires. The company will receive \$10 a day for transporting the newspapers. To what account should be charged the cost of the truck, and to what account should be credited the revenue received for transporting the newspapers?

Answer. The cost of the auto truck shall be charged to road and equipment account No. 538, "Miscellaneous equipment." The amount received for transporting newspapers shall be credited to operating revenue account No. 109, "Miscellaneous transportation revenue."

CASE 318.

Query. What account should be charged with expenses incurred because of a strike of motormen and conductors?

Answer. There is no special account in which to include strike expenses. The wages of employees taking the place of strikers shall be charged to the same accounts to which would have been charged the wages of the employees on strike. The same disposition shall be made of overtime of such employees.

Any unusual transportation expenses (not wages or overtime), such as police protection, shall be charged to account No. 78, "Other transportation expenses."

Any general expenses incurred directly in connection with the strike and not provided for in the primary accounts preceding general account General and Miscellaneous shall be charged to account No. 89, "Miscellaneous general expenses."

CASE 319.

Query. To what account should be charged amounts paid to individuals for the privilege of cutting down trees at dangerous curves? These trees obstructed the view of the motormen.

Answer. Payments for the privilege of cutting down the trees shall be charged to account No. 502, "Right of way." The cost of labor trimming trees, or cutting bushes, standing close to right of way shall be charged to operating expense account No. 8, "Track and roadway labor." The cost of tools used in connection therewith shall be charged to account No. 9, "Miscellaneous track and roadway expenses."

CASE 320.

Query. A railway company is compelled by municipal ordinance to lower the track along a public street in order to make it agree with the official grade. To what account should this expenditure be charged?

Answer. The cost of lowering a track along a public street, such change being required by the municipality, shall be charged to road and equipment account No. 504, "Grading."

CASE 321.

Query. It has been the practice of this company since its organization to carry as a liability the total amount of unredeemed tickets, the balance being carried forward from year to year, no adjustment being made to reduce the amount outstanding. The balance of unredeemed tickets, to-day, includes an amount of approximately \$34,000, which we believe will never be presented for redemption. This amount has been arrived at after making allowance for the amount of tickets sold during the last three years and unredeemed. Will it be permissible to adjust this unredeemed ticket account by crediting Profit and Loss with \$34,000, which represents accumulations of unredeemed ticket balances during the period from 1862 to 1910? And may we hereafter make a credit to Profit and Loss representing a yearly adjustment of this unredeemed ticket balance?

Answer. For the reason that the item of \$34,000 represents accruals over a period of years it is permissible to credit this sum to profit and loss account No. 306, "Miscellaneous credits." Future annual adjustments, however, shall be credited to operating revenue account No. 101, "Passenger revenue."

CASE 322.

Query. This company, in 1907, sold \$300,000 (par value) of bonds at a discount of \$16,000. These bonds will mature in 1916, nine years after the date of sale. Is it correct to charge income account No. 222, "Amortization of discount on funded debt," annually, with one-ninth of the total discount of \$16,000, beginning with the fiscal year ending June 30, 1915? As the bonds mature on June 30, 1916, there will have been amortized on that date but two-ninths of the total discount of \$16,000, or \$3,555.55. How shall the remainder of the discount, \$12,444.45, be extinguished?

Answer. As the bonds were sold prior to the effective date of the Classification of Expenditures for Road and Equipment, First Issue, effective January 1, 1909, it will not be necessary at this time to adjust the road and equipment

accounts (assuming that all the discount was charged to road and equipment accounts) by charging such discount to income or profit and loss accounts, unless the carrier desires to make such adjustment. If it is desired to exclude the entire amount of discount from the property investment account, the income accounts for the fiscal years ending June 30, 1915 and 1916, may be charged with their respective proportions (\$1,777.78), and the remainder (\$12,444.44) may be charged to profit and loss account No. 313, "Debt discount extinguished through surplus."

CASE 323.

Query. To what account should be charged an amount refunded to a shipper in connection with an overcharge due to an error by one of our agents in mis-routing?

Answer. The amount of the overcharge shall be charged to account No. 107, "Freight revenue."

CASE 324.

Query. A company acquired, through a receiver's sale, another railway property and assumed all of the outstanding obligations, which were promptly paid. Subsequently there was presented a claim for an attorney's fees for services rendered to the receiver. To what account should this fee be charged?

Answer. If the attorney's fee is an expense which your company properly is bound to assume as purchaser, the amount of the fee shall be charged to road and equipment account No. 527, "Cost of road purchased."

CASE 325.

Query. To what account should be charged the cost of driving a well to furnish water to condensers?

Answer. To account No. 539, "Power plant buildings," in the classification for road and equipment.

CASE 326.

Query. To what account should be charged the cost of keys for switch locks?

Answer. To operating expense account No. 67, "Miscellaneous car-service expenses."

CASE 327.

Query. To what account should an electric railway charge payments made to another company as a proportion of receipts from passengers carried over a viaduct owned by the other company, the tracks being owned and maintained by the railway company?

Answer. To operating expense account No. 97, "Rent of tracks and facilities." (See Case 20.)

CASE 328.

Query. An electric railway company carries some cans of milk on a branch line over which there is no express service, turning them over to a local express company under contract for handling on the main line. To what account should be credited the receipts for the transportation over the branch line, the payments for the transportation over the main line being made by the express company and credited to "Express revenue"?

Answer. Assuming that the transportation of milk on the branch line is conducted by an arrangement with the express company, credit shall be made to operating revenue account No. 105, "Express revenue."

CASE 329.

Query. To what account should be charged the cost of lightning arresters?

Answer. The cost of lightning arresters shall be charged to operating expense account No. 22, "Distribution system"; No. 33, "Electric equipment of cars"; No. 34, "Locomotives"; No. 47, "Power plant equipment"; No. 48, "Substation equipment"; or No. 49, "Transmission system," according to the location or purpose of the installation.

CASE 330.

Query. To what account should an electric railway company credit amounts received from the subleasing of a portion of a building leased by it for use in operation?

Answer. The amounts received shall be credited to operating revenue account No. 117, "Rent of buildings and other property."

CASE 331.

Query. To what account should be credited amounts received from an express company as extra compensation for the services of trainmen in handling express matter?

Answer. To the operating expense account to which the trainmen's pay is charged.

CASE 332.

Query. To what accounts should be credited amounts received from other lines for their proportions of wages and expenses at joint stations.

Answer. To the accounts to which the wages and expenses are first charged.

CASE 333.

Query. How should a lessee company account for the interest paid on the bonds of a lessor company in accordance with the terms of the rental agreement between them?

Answer. The amounts so paid shall be included in the lessee's income account No. 216, "Rent for leased roads," and correspondingly included in the lessor's account No. 203, "Income from lease of road."

CASE 334.

Query. To what account should be charged the cost of tools and brushes purchased for the use of carpenters and painters employed generally in the maintenance of way and structures on an interurban railway?

Answer. The cost shall be apportioned between account No. 19, "Miscellaneous way expenses," and account No. 24, "Buildings, fixtures, and grounds."

CASE 335.

Query. Sanitary drinking-cup vending machines are installed under a perpetual lease agreement by the terms of which the machines are to be returned to the manufacturer whenever the use of the cups is discontinued. The cups are placed in the vending machines and distributed in stations and cars by means of penny slot.

(1) To what account should be charged the machines and cups when purchased?

(2) To what account should be credited the revenue received from the cup machines?

Answer. (1) The cost of the vending machines shall be charged to account No. 537, "Furniture," or to account No. 530, "Passenger and combination cars," according to whether they are installed in stations or in cars. The cost of the cups shall be charged to account No. 67, "Miscellaneous car-service expenses," or to account No. 69, "Station expenses," according to where the cups are installed.

(2) The revenue from the sale of the drinking cups shall be credited to account No. 110, "Station and car privileges."

CASE 336.

Query. Curbing is placed between a reservation in the center of the street for the use of cars and that portion of the street used by teams. The curbs are for the purpose of keeping street traffic from the tracks. To what account should be charged the curbing along the side of the neutral strip not owned by the company?

Answer. The original cost of curbing between the space reserved for tracks in a public way and that used by other vehicles shall be charged to road and equipment account No. 516, "Crossings, fences, and signs," and the cost of maintenance shall be charged to operating expense account No. 16, "Crossings, fences, and signs."

CASE 337.

Query. A railway company has installed interior telephones connecting its general offices, all of which are located in a leased building. To what account should be charged the cost of these interior telephones?

Answer. Interior telephones having the character of movable apparatus shall be charged to account No. 537, "Furniture." When interior systems are leased for use in general offices the rent shall be charged to account No. 89, "Miscellaneous general expenses."

CASE 338.

Query. A company operating an interurban electric railway system, and also an electric power and light system serving communities on or adjacent to its interurban lines, agreed to furnish electric current for lighting a certain church, a school, and residences as compensation for use of private property for right-of-way purposes for one of its interurban lines. To what account in the Uniform System of Accounts for Electric Railways should be charged the cost of the electric current?

Answer. The cost of furnishing electric current in exchange for the use of private property for right-of-way purposes shall be charged to income account No. 217, "Miscellaneous rents." (*See Cases 20 and 33.*)

CASE 339.

Query. An interurban railway company, not engaged in a general freight business, moves steam railroad freight cars from one point to another, on two of its lines. The steam railroad freight cars are moved by being coupled to a work or service car. To what accounts should be credited the revenue derived from performing this service and to what accounts should be charged the cost thereof?

Answer. If the moving of the steam railroad freight cars is clearly but a switching service and is charged for at a rate per car, the credit shall be to account No. 108, "Switching revenue." Expenses in connection with the rendering of this service shall be charged to the appropriate operating expense accounts.

CASE 340.

Query. In what account in the general balance sheet should be included advances to a subsidiary corporation formed for the purpose of holding title to property not used for railroad purposes? The advances are for the purpose of enabling the subsidiary company to acquire real estate.

Answer. To account No. 405, "Investments in affiliated companies."

CASE 341.

Query. To what account should be charged the cost of painting switch targets mounted on and attached to switch stands? Also, to what account should be charged the cost of new switch targets purchased for switch stands on new installations?

Answer. The expense of painting switch targets mounted on and attached to switch stands shall be charged to operating expense account No. 6, "Special work." The cost of original installations of switch targets mounted on and attached to switch stands shall be charged to road and equipment account No. 508, "Special work."

CASE 342.

Query. To what account should be charged amounts paid telegraph companies for fire alarm service?

Answer. To operating expense account No. 24, "Buildings, fixtures, and grounds," or No. 46, "Power plant buildings, fixtures, and grounds," as may be appropriate.

CASE 343.

Query. To what account should be charged the cost of maps and drawings prepared by draftsmen in the maintenance of way and structures department and used in connection with personal injury claims and suits growing out of operation of passenger cars?

Answer. Wages and materials for such work shall be charged to operating expense account No. 92, "Injuries and damages."

CASE 344.

Query. (1) Should the wages of trainmen operating work trains engaged in maintenance be charged to account No. 66, "Miscellaneous car-service employees," or charged directly to the maintenance accounts affected?

(2) Should the cost of power used by work trains also be charged to maintenance accounts?

Answer. (1) The wages of trainmen operating work trains engaged in maintenance shall be charged to the maintenance accounts benefited.

(2) The cost of power used by work trains may be included in the appropriate operating expense accounts as a part of the cost of maintenance. The corresponding credit for such charges to maintenance accounts shall be made to account No. 61, "Power transferred—Credit." (See text of account No. 61.)

CASE 345.

Query. To what account should be charged the cost of uniforms given to trainmen who attain a perfect record, according to rules laid down by the company, in the prevention of accidents?

Answer. To account No. 89, "Miscellaneous general expenses."

CASE 346.

Query. To what account should be charged an amount paid annually to a water company for installation of a connection with a fire protection system in the company's car barns? The fact of having this connection reduces the insurance premium.

Answer. To account No. 24, "Buildings, fixtures, and grounds."

INDEX BY ACCOUNTS.

OPERATING EXPENSES.

Operating expense accounts—	Case.
for items involving coal fuel costs.....	145, 180, 181
for items involving labor transported free.....	232
for items involving material costs.....	143, 155
for maintenance in general.....	158, 232, 247, 274, 289, 306, 344
for maintenance of buildings.....	127
for maintenance of curbs along tracks.....	261
for maintenance of equipment.....	71, 296, 306
for maintenance of light plant.....	198, 316
for maintenance of track.....	251, 264
for maintenance of way and structures.....	139, 224, 289, 299
for operation of cars.....	4, 30, 339
for operation of light plant.....	198
for operation of shops and storerooms.....	19
for operation of stations.....	332
for power station maintenance.....	55, 234
for power station operation.....	108, 289
for wages of employees at general office.....	109
for wages of trainmen.....	148, 245, 318, 331
for wages of transportation employees along line.....	108, 109, 332
in general.....	1, 144, 300, 307
Way and structures:	
1. Superintendence of way and structures.....	66, 80
2. Ballast.....	57, 98, 174
3. Ties.....	63, 192
4. Rails.....	271
5. Rail fastenings and joints.....	238, 270
6. Special work.....	32, 272, 341
8. Track and roadway labor.....	32, 35, 57, 60, 61, 266, 270, 271, 272, 291, 292, 319
9. Miscellaneous track and roadway expenses.....	35, 51, 57, 61, 173, 291, 294, 319
10. Paving.....	2, 70, 146, 174, 184, 251, 284, 279
11. Cleaning and sanding track.....	30, 61
12. Removal of snow and ice.....	117
13. Tunnels and subways.....	116
14. Elevated structures and foundations.....	116
15. Bridges, trestles, and culverts.....	51, 70, 194, 252, 260
16. Crossings, fences, and signs.....	62, 276, 336
17. Signal and interlocking apparatus.....	51, 260
18. Telephone and telegraph lines.....	253
19. Miscellaneous way expenses.....	74, 88, 269, 334
20. Poles and fixtures.....	97, 249
22. Distribution system.....	3, 97, 270, 287, 329
23. Miscellaneous electric line expenses.....	34, 51, 73, 116, 209, 269
24. Buildings, fixtures, and grounds.....	43, 51, 69, 74, 166, 212, 240, 259, 268, 269, 302, 334, 342, 346
25. Depreciation of way and structures.....	154, 250
26. Other operations—Dr.....	7, 27
27. Other operations—Cr.....	7, 27, 188, 316
28. Equalization—Way and structures.....	192

	Case.
Equipment:	
29. Superintendence of equipment	66, 290
30. Passenger and combination cars	4, 5, 13, 38, 54, 106, 120, 182, 189, 200, 210, 281, 287
31. Freight, express, and mail cars	4, 5, 13, 38, 106, 120, 182, 189, 210, 281, 287
32. Service equipment	5, 13, 14, 30, 38, 106, 120, 157, 182, 189, 210, 233, 281, 287, 293, 294
33. Electric equipment of cars	5, 13, 14, 38, 157, 169, 233, 329
34. Locomotives	4, 5, 38, 106, 120, 182, 210, 281, 329
35. Floating equipment	268
36. Shop equipment	11, 95, 96, 158
37. Shop expenses	78, 209, 216
38. Vehicles and horses	18, 151
40. Depreciation of equipment	154, 250, 303, 309, 310, 311, 315
41. Equipment retired	183
42. Other operations—Dr	7, 27, 273
43. Other operations—Cr	7, 27, 188, 245, 273
44. Equalization—Equipment	192
Power	23, 29, 300
45. Superintendence of power	66
46. Power plant buildings, fixtures, and grounds	51, 166, 195, 212, 269, 342
47. Power plant equipment	122, 130, 177, 211, 237, 329
48. Substation equipment	211, 233, 284, 329
49. Transmission system	20, 34, 51, 107, 175, 329
50. Depreciation of power plant buildings and equipment	154, 260
51. Equalization—Power	192
56. Miscellaneous power plant supplies and expenses	125, 208, 209, 216, 237, 283
58. Substation supplies and expenses	209, 216
59. Power purchased	7, 29, 140, 141, 165, 200
61. Power transferred—Credit	7, 21, 344
62. Other operations—Cr	7, 23, 27, 29, 188, 198, 245, 300, 316
Conducting transportation	30
63. Superintendence of transportation	129, 187, 239, 304, 306
64. Passenger conductors, motormen, and trainmen	147
65. Freight and express conductors, motormen, and trainmen	147, 215
66. Miscellaneous car-service employees	59, 64, 70, 82, 248, 260, 344
67. Miscellaneous car-service expenses	11, 38, 54, 65, 88, 95, 120, 125, 209, 287, 305, 326, 335
68. Station employees	15, 121, 201
69. Station expenses	44, 68, 69, 121, 149, 167, 209, 216, 242, 335
70. Carhouse employees	65, 304
71. Carhouse expenses	206, 209, 212, 216
72. Operation of signal and interlocking apparatus	64
73. Operation of telephone and telegraph lines	68, 149, 167
75. Operation of steam locomotives	4
78. Other transportation expenses	58, 69, 199, 231, 239, 254, 260, 318
Traffic:	
79. Superintendence and solicitation	15
80. Advertising	227
81. Parks, resorts, and attractions	26
General and miscellaneous	28, 41, 75
83. Salaries and expenses of general officers	179, 219, 302
84. Salaries and expenses of general office clerks	66, 80, 295, 302
85. General office supplies and expenses	235
86. Law expenses	86, 118, 128, 219
87. Relief department expenses	10
88. Pensions and gratuities	10
89. Miscellaneous general expenses	53, 68, 77, 103, 110, 111, 149, 167, 213, 235, 318, 337, 345
92. Injuries and damages	10, 52, 110, 111, 118, 150, 164, 280, 343
93. Insurance	53
94. Stationery and printing	12, 56, 123, 168, 206, 246, 255
95. Store expenses	6, 22, 41, 66, 138, 203, 273, 302
96. Garage and stable expenses	18, 41, 151
97. Rent of tracks and facilities	327
98. Rent of equipment	13, 45, 133, 141, 274, 314
99. Other operations—Dr	7, 27, 273
100. Other operations—Cr	7, 27, 28, 41, 188, 273
Transportation for investment—Cr	21, 59
OPERATING REVENUES.	
Operating revenue accounts—	
for freight charges	143
in general	1, 39

Revenue from transportation:	Case.
101. Passenger revenue.....	49, 50, 160, 170, 205, 278, 286, 321
102. Baggage revenue.....	178
103. Parlor, sleeping, dining, and special car revenue.....	197, 263
105. Express revenue.....	93, 156, 178, 328
106. Milk revenue.....	285
107. Freight revenue.....	132, 323
108. Switching revenue.....	339
109. Miscellaneous transportation revenue.....	30, 171, 178, 317
Revenue from other railway operations:	
110. Station and car privileges.....	335
115. Rent of tracks and facilities.....	142, 148
116. Rent of equipment.....	59
117. Rent of buildings and other property.....	34, 37, 330

INCOME.

Income accounts—	
for auxiliary operations.....	23
for interest, discount, and taxes.....	17
in general.....	1, 39
Credit accounts:	
202. Auxiliary operations—Revenues.....	188
203. Income from lease of road.....	142, 333
204. Miscellaneous rent income.....	37
205. Net income from miscellaneous physical property.....	28, 301
208. Income from unfunded securities and accounts.....	308
209. Income from sinking fund and other reserves.....	312
211. Contributions from others.....	91
212. Miscellaneous income.....	25, 297
Debit accounts:	
214. Auxiliary operations—Expenses.....	188, 198, 300
215. Taxes assignable to railway operations.....	2, 20, 24, 28, 67, 81, 87, 163, 299
216. Rent for leased roads.....	333
217. Miscellaneous rents.....	8, 20, 33, 36, 81, 241, 338
219. Net loss on miscellaneous physical property.....	28, 301
220. Interest on funded debt.....	312
221. Interest on unfunded debt.....	267
222. Amortization of discount on funded debt.....	86, 322
225. Miscellaneous debits.....	77

PROFIT AND LOSS.

Profit and loss accounts—	
for depreciation before July 1, 1914.....	183, 315
in general.....	1, 39
Credit accounts:	
306. Miscellaneous credits.....	244, 321
Debit accounts:	
309. Appropriations of surplus to sinking fund and other reserves.....	312
310. Dividend appropriations of surplus.....	312
313. Debt discount extinguished through surplus.....	322
315. Loss on road and equipment retired.....	240
317. Miscellaneous debits.....	250, 313

GENERAL BALANCE SHEET.

General balance-sheet accounts—	
for coal supply.....	314
for maintenance reserve.....	139
for material purchased.....	155, 192
for stock liability.....	186
in general.....	1, 23, 39, 153
Debit accounts:	
402. Sinking funds.....	312
404. Miscellaneous physical property.....	28, 300, 301
405. Investments in affiliated companies.....	340
407. Cash.....	312
408. Special deposits.....	298
410. Miscellaneous accounts receivable.....	25
411. Material and supplies.....	145, 183
418. Discount on funded debt.....	86
420. Other unadjusted debits.....	265
421. Securities issued or assumed—Unpledged.....	298

Credit accounts:	Case.
426. Grants in aid of construction.....	91
443. Accrued depreciation—Road and equipment.....	183, 250, 296, 315
446. Other unadjusted credits.....	50

ROAD AND EQUIPMENT.

Road and equipment accounts—

for bond discount prior to 1900.....	322
for buildings.....	126
for costs involving material purchased.....	22, 155
for costs involving power used.....	21
for costs involving rent of property.....	131, 257
for costs involving shop expenses.....	78
for costs involving temporary buildings.....	257
for costs involving tools used.....	76
for costs involving wages of trainmen.....	306
for curb and paving construction.....	261
for equipment costs.....	38, 71, 189, 296
for light business investment.....	153, 204, 300
for power business investment.....	153, 204
for power stations.....	229, 234
for track construction.....	21, 229
in general.....	1, 39, 144, 158, 218, 247, 265

Way and structures:

501. Engineering and superintendence.....	16
502. Right of way.....	42, 84, 85, 119, 134, 161, 162, 172, 194, 207, 217, 262, 282, 301, 319
503. Other land used in electric railway operations.....	134, 135, 228, 262
504. Grading.....	35, 83, 119, 137, 191, 256, 258, 291, 320
505. Ballast.....	98, 100, 221
507. Rails, rail fastenings, and joints.....	72, 102, 223, 225, 238, 270
508. Special work.....	72, 94, 341
509. Underground construction.....	113, 226
510. Track and roadway labor.....	100, 113, 114, 193, 221, 270
511. Paving.....	2, 31, 42, 84, 85, 99, 100, 112, 134, 161, 184, 185, 236, 251, 264
512. Roadway machinery and tools.....	137, 173, 176
514. Elevated structures and foundations.....	115
515. Bridges, trestles, and culverts.....	89, 101, 115, 202, 225, 262
516. Crossings, fences, and signs.....	31, 62, 85, 117, 202, 230, 276, 282, 336
517. Signals and interlocking apparatus.....	94
518. Telephone and telegraph lines.....	263
519. Poles and fixtures.....	46
520. Underground conduits.....	226
521. Distribution system.....	46, 159, 198, 243
523. Shops and carhouses.....	16, 104, 106, 152
524. Stations, miscellaneous buildings, and structures.....	101, 105, 134, 152, 240
526. Park and resort property.....	26
527. Cost of road purchased.....	218, 324
529. Other expenditures—Way and structures.....	36, 131, 199

Equipment:

530. Passenger and combination cars.....	48, 54, 106, 124, 200, 210, 275, 281, 335
531. Freight, express, and mail cars.....	106, 124, 210, 281
532. Service equipment.....	106, 124, 137, 210, 233, 281, 294
533. Electric equipment of cars.....	38, 48, 160, 233
534. Locomotives.....	38, 106, 124, 210, 281
536. Shop equipment.....	96, 158
537. Furniture.....	335, 337
538. Miscellaneous equipment.....	288, 317

Power:

539. Power plant buildings.....	16, 101, 106, 190, 196, 222, 234, 325
541. Dams, canals, and pipe lines.....	90, 229
542. Power plant equipment.....	122, 124, 130, 177, 190, 196, 198, 211
543. Substation equipment.....	196, 211, 214, 233, 284
544. Transmission system.....	107, 198

General and miscellaneous:

546. Law expenditures.....	128, 220
547. Interest during construction.....	17, 308
550. Miscellaneous.....	9, 42, 53, 136, 199

INDEX BY TOPICS.

A.

	Case.
Abutments of bridges over undergrade crossings, installation of.....	202
Accidents. (<i>See Disability, Injuries, Inquest.</i>)	
Accounts, apportionment, for segregating lighting system maintenance.....	116
clearing, permissible use of.....	6, 92, 98, 116
equalization, purpose of.....	192
renumbering of, for carrier's convenience.....	1
subprimary, permissible use of.....	3, 159, 182, 303, 309
suspense, permissible use of.....	49, 50, 307
temporary or experimental, for power costs.....	21
unrequired, book entry of, by carrier not necessary	27
Additions at free private park.....	26
to car reconstructed.....	296
to plant for light business.....	153, 190
to plant for power business.....	153
to property, bond issue for, expense incident to.....	9
to property, special fund for, bonds set aside in.....	298
(<i>See also Construction, Excess cost, Reconstruction.</i>)	
Adjustment of claims, pay and expenses of clerks engaged in.....	295
Advances to subsidiary for acquisition of real estate.....	340
Advertising in time-tables, receipts from.....	227
Affiliated company, investment in advances to.....	340
Agents, car-service, salaries and expenses of, and of clerks.....	305
purchasing, salaries of, and of staffs.....	302
station, error by, refund of overcharge due to.....	323
station, telephone service for use of.....	149
station, wages of substation attendant acting as.....	108
station, wages of, when aiding train dispatching.....	187
Air-brake equipment and wiring, inclusion of, in car structure.....	5, 38
Air-compressor stations, conduits from, construction and maintenance of.....	96
machinery in, maintenance and operation of.....	95
Air-storage tanks, machinery appurtenant to, maintenance and operation of.....	95
maintenance and operation of, when in carhouses.....	11
Alarm service by telegraph companies for fire protection.....	342
Alignment changes in track, street work incident to.....	261
Amortization of debt discount on bonds issued prior to 1909.....	322
of debt expense in connection with bonds.....	86
Amusement park, improvements at and maintenance of.....	26
Appeal bond in injuries case, premium on.....	280
Appliances, meaning of term, in connection with equipment.....	293
Appropriations to sinking funds in lieu of dividends or interest.....	312
Ashes, removal of, from car to dump.....	65
Asphalt. (<i>See Paving.</i>)	
Assessments for ditch construction.....	119
for dredging stream to create drainage channel.....	207
for paving work.....	2, 85, 99, 161
for sewer construction.....	85, 161
for street grade or improvements.....	85, 134
of municipal levies on basis of gross earnings.....	87
of State taxes on basis of capital stock.....	87
payable in installments, interest on.....	267
(<i>See also Taxes.</i>)	
Associations, relief, operation of and contributions to.....	10
traffic, attendance expenses of general manager at.....	179
Attachments of wires to bridges, payments by carrier for privilege of.....	24, 163
to poles, expense for and revenue from.....	34

Attorneys' fees. (<i>See Fees.</i>)	Cass.
Audit of company's books by audit company	77
Authorized but unissued stock excluded from general ledger	186
Auto truck for maintenance and revenue service, first cost and earnings of	317
Automobiles for chief engineer serving allied companies, first cost of	286
for officers and linemen, expenses and repairs of	151
Auxiliary operations, classification for, not prescribed	23
coal mine conducted as, car service rendered to	245
light business conducted as, accounting for	28, 188, 198, 300
power business conducted as, accounting for	188
(<i>See also Gas department, Light business, Power business.</i>)	
Axes, hand, purchased for construction work	76
Axles, trolley, repairs and first cost of	38
B.	
Baggage service, revenue from transportation of dogs by	178
wages of general office janitor aiding in	109
Bags for filing canceled tickets	123
Balance-sheet printing for express and freight business	12
statement covering railway and other departments	23, 153
Ballast, base for, paving work necessitated by failure of	174
production cost of, apportionment of	98
production of, investment cost of machinery for	176
road filling between tracks chargeable as	100
track base of concrete chargeable as	221
track filling chargeable as	57
(<i>See also Track.</i>)	
Banks of roadway, protection of, against high tides	35
Barns. (<i>See Carhouses.</i>)	
Batteries for gasoline motor cars	182
for telephone operation	167
Bells and wiring, electric, inclusion of, in car structure	5, 38
Betterments at free private park	26
of car reconstructed	296
of property, bond issue for, expense incident to	9
of property, special fund for, bonds set aside in	296
of public bridge used by carrier	194
Blockades, time lost by, statistical treatment of	40
Blocks, filler, used at ordinary curves, investment in	223
Blue-print paper for engineering department	246
Boiler tubes and caps in power plants, apparatus for cleaning	122, 130
Bonding of rails, car and electric equipment for, maintenance of	157
drilling for, when merged in cost of rails	102
machine for, classification of	277
maintenance expense for	287
Bonds, appeal, in injuries cases, premiums on	280
construction, expense incident to issue and sale of	9
guaranty, for compliance with franchise, premiums on	53
interest payments on, expense incident to	77
reacquired, interest accrued and premium on	313
reserved, to meet property investment costs	298
validity of, examination into matters affecting	86
Booths, telephone, located along line for train dispatching	253
Brackets for trolley wire, investment in	46
scrap from renewals of	249
short wires appurtenant to	97
Bridge tenders, wages of, when on bridge used under franchise or lease	70
Bridges, catenary, for support of overhead line, investment in	46
construction of, in connection with undergrade crossings	202
construction of, rent and operation of equipment in	92
guard rails on, investment cost of	225
jointly used, maintenance and operation of	260
jointly used, public contributions toward, when used by public	269
leased, maintenance and operation of, by lessee	70
maintenance of, tool renewals and repairs for	51
paving located upon, maintenance of	70, 299
public, construction cost of, partly borne by carrier	217

Case.

Bridges, public, betterment of, borne by carrier.....	194
public, maintenance and operation of, partly borne by carrier.....	70
public, maintenance of line property located upon.....	299
public, monetary payments for operation rights upon.....	24, 163, 299
structural parts peculiar to, classification of.....	115
<i>(See also Viaduct.)</i>	
Brushes for car motors.....	38
for workmen employed in maintenance.....	334
Buildings, appurtenant parts of, investment items classable as.....	126, 222, 325, 346
appurtenant parts of, maintenance expense for.....	69, 127, 195
betterment of, by partial reconstruction.....	234
construction of, salary and expenses of engineer for.....	16
destruction of, by fire, loss due to.....	240
grounds of, investment items for.....	134
grounds of, maintenance items for.....	166, 212, 259
investment in, for use as both carhouse and general office.....	104
investment in, for use in light business.....	190, 198
land occupied by, rent payable for.....	241, 257
maintenance of, fire protection expense includible in.....	268, 269, 342
maintenance of, tool expense for.....	51, 334
maintenance of, when portions are rented to others.....	37
maintenance of, when used in storerooms.....	302
operation of, when portions are rented to others.....	37
rent receivable from rented parts of.....	37, 330
repairs of, when held by carrier under lease.....	43
repairs of, when owned by carrier.....	43
structures includible under term.....	74, 101, 105, 152
temporary, used in construction work.....	257
Bureau, freight, salaries of weighmasters of.....	201
Burial expenses of trainman killed by ejected passenger.....	118
Bushings, trolley, repairs and first cost of.....	38

C.

Cables. *(See Wires.)*

Camp, grading, proceeds from sale of.....	258
Canals, roads for patrolling of, investment in.....	229
Canceled tickets, bags and envelopes for filing of.....	123
Cans, oil, for departmental use.....	209
Capital stock, authorized but unissued, excluded from general ledger.....	186
issued, conditions indicative of.....	186
taxes assessed on basis of.....	87
Caps for boiler tubes, machines for grinding and cleaning of.....	130
Car. <i>(See Cars.)</i>	
Car barns. <i>(See Carhouses.)</i>	
Car hours, passenger, definition of.....	40
Car privileges, vending machine installed under.....	335
Car service, agent for, salary and expenses of, and of clerks.....	305
construction, expense for and revenue from, when furnished to contractor.....	59
construction, expense for, when performed with rented equipment.....	131
employees aiding in, miscellaneous, wages of.....	59, 70, 82, 248, 260
expenses of, miscellaneous, for appurtenances of cars.....	38, 54, 120, 125
expenses of, miscellaneous, for car operation.....	11, 95, 209, 305, 326
expenses of, miscellaneous, for cleaning cars.....	65, 287
expenses of, miscellaneous, for passenger conveniences.....	335
icing expense for.....	305
inspectors aiding in, wages of.....	304
maintenance, wages of trainmen engaged in.....	306, 344
passenger, division of through-car revenue from.....	45
passenger, statistics of.....	40
pilots engaged in, wages of.....	147, 148
sprinkler, expense for and revenue from.....	30
stationery used in.....	12, 56, 168
steam motor, expense for operation of.....	4
work, charges against auxiliary operations for.....	245
work, charges against carrier's own departments for.....	59
work, revenue from, when performed for another carrier.....	171
<i>(See also Operation.)</i>	

	Case.
Carbon brushes for car motors	38
rings for power plant turbines.....	257
Carbons for electric headlights.....	38, 120
Cards for officers and employees, printing of.....	285
Carhouses, coal deliveries at, labor for.....	180
construction of, salary of supervising engineer for.....	16
electric-light apparatus in, renewals of.....	216
employees at, wages of.....	65, 181, 304
equipment of, maintenance expenses for.....	11
fire protection for.....	208, 346
grounds of, maintenance items for.....	106, 212
investment in, when occupied partly by general office.....	104
land occupied by, rent payable for	8, 241
oil cans used at.....	200
power used at.....	7, 21, 105
track foundations at pit in.....	152
watchmen at, portable clocks for.....	206
(See also Buildings.)	
Carpenters on maintenance work, tools and brushes for.....	324
Cars, appurtenances used in operation of.....	38, 54, 120, 125, 200
appurtenant parts of, investment in.....	38, 48, 54, 106, 124, 210, 281, 385
appurtenant parts of, maintenance expenses for.....	5, 38, 54, 106, 120, 180, 210, 281, 287, 298
cleaning and washing of.....	287
construction of, for use as portable substations.....	214, 233
construction of, patterns used in.....	71
conversion of, from open to closed type.....	200
definition of, as distinguished from electric equipment.....	5, 38
definition of, as distinguished from locomotives.....	47
destroyed, salvage from and loss on.....	183
foreign, maintenance and rent of, when used in construction.....	131
foreign, payments to other companies for use of	123, 141
foreign, per diem and maintenance expense on.....	12
gasolene motor, maintenance of	4, 132
hand, first cost and maintenance of.....	173
investment in, when equipped with machinery.....	233
machinery mounted on. (See Machinery.)	
maintenance of, patterns used in.....	71
maintenance of, payments to another company for.....	273
maintenance of, when equipped with machinery	14, 157, 233
maintenance of, when performed for another company.....	273
maintenance of, when used in auxiliary operations.....	245
motive equipment for. (See Electric equipment.)	
operation of. (See Car service, Operation.)	
painting and varnishing of.....	287
patents applicable to, royalties on.....	273
push, first cost and maintenance of.....	173
reconstruction of, after damage by accident.....	296
sprinkler, maintenance of.....	30
steam motor, repairs of.....	4
(See also Equipment.)	
Cartage of freight when included in freight rates.....	122
of rails from yard to point of use in construction.....	198
of scrap material shipped to purchaser.....	123
(See also Hauling.)	
Cash credits for moneys transferred to sinking fund.....	312
Catch basins, construction of, in widening street.....	42
Catchers, trolley, installation and maintenance of.....	210
Certificates of stock. (See Capital stock.)	
Chief engineer serving allied companies, automobile for.....	283
Cinders for filling grounds of buildings, loading and unloading of.....	106
for maintenance purposes, hauling and unloading of.....	200
from power plants, removal of.....	230
Circuit-breaker attendant aiding in station work, wages of.....	108
City. (See Municipalities.)	

	Casa.
Claims cases, maps and drawings by maintenance employees for use in.....	343
clerks, salaries and expenses of.....	295
department, expenses for, when located in general offices.....	235
settlements, creation and adjustment of reserve for.....	79
Classes B and C, accounts for carriers of.....	1,39
Cleaning boiler tubes and caps at power plants, apparatus for.....	122,130
cars, expense for.....	287
scrap material for shipment to purchaser.....	138
track, operation of sprinkler car in connection with.....	30
Clearing account for ballast production costs.....	98
for lighting system maintenance.....	116
for rent and operation of construction equipment.....	92
for store expenses.....	6
Clerks assisting car-service agent, salaries and expenses of.....	305
compiling data for and reports to public bodies, salaries of.....	80
handling both railway and auxiliary operations matters, salaries of.....	28
handling claims, salaries and expenses of.....	295
handling departmental accounts in general office, salaries of.....	66
Clock, electric, in dispatcher's office, service of.....	129
portable, for carhouse watchman, maintenance expenses for.....	206
Club rooms, rent and operation of.....	239
Coal costs, inclusion of demurrage in.....	314
deliveries at carhouse, unloading of.....	180
deliveries at power plant, unloading of.....	181
mine, maintenance and operation of cars used for.....	245
pockets, investment in.....	105
pockets for power plant, rent payable for.....	208
supply for power house not yet in operation.....	145
trestle for coal pocket, investment in.....	101
(See also Fuel.)	
Collection of scrap material for shipment to purchaser.....	138
Collections by conductors. (See Conductors.)	
Combination cars. (See Cars.)	
Commissions for sale of tickets at stores along line.....	15
to trustees for paying out bond interest.....	77
Commutation ticket books expiring monthly, revenue from sale of.....	278
Company material. (See Material.)	
Compressed-air conduits for conveying air to car line, construction and maintenance of.....	96
storage apparatus in carhouses, maintenance and operation of.....	11,95
Concrete base for ballast, paving work necessitated by failure of.....	174
foundation for track at carhouse pit or yard pit.....	152
foundation for track ties and paving, investment in.....	221
mixer, maintenance of car and machinery of.....	14
Condensers at power stations, investment in water-supply system for.....	90,325
Conductors' collections, loss of, by robbery or defalcation.....	231
orders, printing of.....	56
pay for time lost by injury in service.....	52,110,111
remittances, loss of, by theft.....	103
reports and shortage notices, printing of.....	12
shortages, relief granted for.....	160
strike, expense occasioned by.....	318
tickets collected, devices for sorting or filing.....	123,168
wages while in nonrevenue service.....	306
wages while in revenue service under contractor.....	59
(See also Trainmen.)	
Conduits, construction and maintenance of, for compressed air.....	96
excavation for, investigation cost of.....	226
(See also Pipe.)	
Construction, bonds for, expense incident to issue of.....	9
building for temporary use during, installation and repairs of.....	257
car service for.....	59,131
costs of, distribution of.....	218,265
costs of, when property is on leased right of way.....	247
creosoting plant costs apportionable to.....	158

	Cash.
Carbon brushes for car motors	28
rings for power plant turbines.....	237
Carbons for electric headlights.....	38, 120
Cards for officers and employees, printing of.....	255
Carhouses, coal deliveries at, labor for.....	130
construction of, salary of supervising engineer for.....	16
electric-light apparatus in, renewals of.....	208
employees at, wages of.....	65, 151, 304
equipment of, maintenance expenses for.....	11
fire protection for.....	268, 346
grounds of, maintenance items for.....	166, 212
investment in, when occupied partly by general office.....	104
land occupied by, rent payable for	8, 241
oil cans used at.....	200
power used at.....	7, 21, 165
track foundations at pit in.....	153
watchmen at, portable clocks for.....	200
(See also Buildings.)	
Carpenters on maintenance work, tools and brushes for.....	334
Cars, appurtenances used in operation of.....	38, 54, 120, 125, 200
appurtenant parts of, investment in.....	38, 48, 54, 106, 124, 210, 281, 336
appurtenant parts of, maintenance expenses for.....	5, 38, 54, 106, 120, 180, 210, 281, 287, 298
cleaning and washing of.....	287
construction of, for use as portable substations.....	214, 233
construction of, patterns used in.....	71
conversion of, from open to closed type.....	200
definition of, as distinguished from electric equipment.....	5, 36
definition of, as distinguished from locomotives.....	47
destroyed, salvage from and loss on.....	183
foreign, maintenance and rent of, when used in construction.....	131
foreign, payments to other companies for use of	133, 141
foreign, per diem and maintenance expense on.....	13
gasoline motor, maintenance of	4, 182
hand, first cost and maintenance of.....	173
investment in, when equipped with machinery.....	233
machinery mounted on. (See Machinery.)	
maintenance of, patterns used in.....	71
maintenance of, payments to another company for.....	273
maintenance of, when equipped with machinery	14, 157, 233
maintenance of, when performed for another company.....	273
maintenance of, when used in auxiliary operations.....	245
motive equipment for. (See Electric equipment.)	
operation of. (See Car service, Operation.)	
painting and varnishing of.....	287
patents applicable to, royalties on.....	273
push, first cost and maintenance of.....	173
reconstruction of, after damage by accident.....	206
sprinkler, maintenance of.....	30
steam motor, repairs of.....	4
(See also Equipment.)	
Cartage of freight when included in freight rates.....	132
of rails from yard to point of use in construction.....	196
of scrap material shipped to purchaser.....	138
(See also Hauling.)	
Cash credits for moneys transferred to sinking fund.....	312
Catch basins, construction of, in widening street.....	43
Catchers, trolley, installation and maintenance of.....	210
Certificates of stock. (See Capital stock.)	
Chief engineer serving allied companies, automobile for.....	288
Cinders for filling grounds of buildings, loading and unloading of.....	166
for maintenance purposes, hauling and unloading of.....	280
from power plants, removal of.....	280
Circuit-breaker attendant aiding in station work, wages of.....	108
City. (See Municipalities.)	

	Casa.
Claims cases, maps and drawings by maintenance employees for use in.....	343
clerks, salaries and expenses of.....	295
department, expenses for, when located in general offices.....	235
settlements, creation and adjustment of reserve for.....	79
Classes B and C, accounts for carriers of.....	1,39
Cleaning boiler tubes and caps at power plants, apparatus for.....	122,130
cars, expense for.....	287
scrap material for shipment to purchaser.....	138
track, operation of sprinkler car in connection with.....	80
Clearing account for ballast production costs.....	98
for lighting system maintenance.....	116
for rent and operation of construction equipment.....	92
for store expenses.....	6
Clerks assisting car-service agent, salaries and expenses of.....	305
compiling data for and reports to public bodies, salaries of.....	80
handling both railway and auxiliary operations matters, salaries of.....	28
handling claims, salaries and expenses of.....	295
handling departmental accounts in general office, salaries of.....	66
Clock, electric, in dispatcher's office, service of.....	129
portable, for carhouse watchman, maintenance expenses for.....	206
Club rooms, rent and operation of.....	239
Coal costs, inclusion of demurrage in.....	314
deliveries at carhouse, unloading of.....	180
deliveries at power plant, unloading of.....	181
mine, maintenance and operation of cars used for.....	245
pockets, investment in.....	105
pockets for power plant, rent payable for.....	208
supply for power house not yet in operation.....	145
trestle for coal pocket, investment in.....	101
(See also Fuel.)	
Collection of scrap material for shipment to purchaser.....	138
Collections by conductors. (See Conductors.)	
Combination cars. (See Cars.)	
Commissions for sale of tickets at stores along line.....	15
to trustees for paying out bond interest.....	77
Commutation ticket books expiring monthly, revenue from sale of.....	278
Company material. (See Material.)	
Compressed-air conduits for conveying air to car line, construction and maintenance of.....	96
storage apparatus in carhouses, maintenance and operation of.....	11,95
Concrete base for ballast, paving work necessitated by failure of.....	174
foundation for track at carhouse pit or yard pit.....	152
foundation for track ties and paving, investment in.....	221
mixer, maintenance of car and machinery of.....	14
Condensers at power stations, investment in water-supply system for.....	90,325
Conductors' collections, loss of, by robbery or defalcation.....	231
orders, printing of.....	56
pay for time lost by injury in service.....	52,110,111
remittances, loss of, by theft.....	103
reports and shortage notices, printing of.....	12
shortages, relief granted for.....	160
strike, expense occasioned by.....	318
tickets collected, devices for sorting or filing.....	123,168
wages while in nonrevenue service.....	306
wages while in revenue service under contractor.....	59
(See also Trainmen.)	
Conduits, construction and maintenance of, for compressed air.....	96
excavation for, investigation cost of.....	226
(See also Pipes.)	
Construction, bonds for, expense incident to issue of.....	9
building for temporary use during, installation and repairs of.....	257
car service for.....	59,131
costs of, distribution of.....	218,265
costs of, when property is on leased right of way.....	247
creosoting plant costs apportionable to.....	158

	• Cost.
Construction, damages and costs payable for acts incident to.....	172
engineer for, salary and expenses of.....	16
equipment leased for use in, expense for.....	131
equipment owned for use in, cost charges and salvage credits for.....	137
grading camp for, proceeds from sale of.....	258
guaranty bonds in connection with, premiums on.....	53
hauling expense incident to.....	114, 193
hotel operation costs apportionable to.....	199
insurance incident to.....	138
interest assignable to.....	17, 308
land used during, rent payable for.....	257
operating expenses incurred during.....	144, 145
patterns used in.....	71
power used in, operating expense credits for.....	21
public grants received in aid of.....	91
purchasing department expense apportionable to.....	22
replacement of property removed during.....	112
shop expense apportionable to.....	19, 78
storage land rent apportionable to.....	36
store expenses apportionable to.....	6, 19
tools for use in, cost charges and salvage credits for.....	78, 137
trainmen engaged in, wages of.....	308
uncompleted, accounting for, at close of report period.....	265
wagon expense apportionable to.....	18
(See also references to specific items of property.)	
Contacts, trolley, for operation of electric track switch, repairs of.....	32
Contract for branch line construction, distribution of costs accruing under.....	218
for express service, revenue received under.....	93
for joint construction and operation of bridge, accounting under.....	260
for mail service, expense for local mail transfer under.....	58
for sale of scrap material, expense under.....	138
for through service of another carrier's cars, payments under.....	45
requiring additions to sinking funds, appropriations to comply with.....	312
requiring construction of road crossing, payment for relief from.....	282
Contractors, charges against, for use of carrier's equipment.....	59
employees assigned to service under, wages of.....	59
payments to, for street improvement work.....	134
receipts from, for use of dumping privileges.....	297
Contributions received as offset to operating deficit.....	91
received in aid of construction or acquisition.....	91
received in aid of maintenance of bridge.....	260
to employees while under disability. (See Disability.)	
to families of employees.....	10
to relief department or association.....	10
Conversion of cars, material used for.....	200
of cars, patent used at, royalty payable on.....	273
of equipment, depreciation charges incident to.....	296
Coordinate departments. (See Auxiliary operations.)	
Cord, lamp, in buildings, renewals of.....	216
Coroner's inquest, fees of witnesses and others at.....	164
Corpses, revenue from transportation of.....	170
Counsel fees. (See Fees.)	
Couplers for motor cars, replacement of.....	189
Coupons, bond, payment to trustees for interest payment on.....	77
bond, unmatured at reacquirement by carrier.....	313
mileage book, unrepresented and expired.....	50
Cranes, track, power purchased partly for operation of.....	165
Creosoting plant, installation and maintenance of.....	158
Cross arms, creosoting plant expense partly apportionable to expense for.....	158
Cross ties, exclusion of, from bridge and trestle costs.....	115
Crossings, railroad, guard rails used at.....	72
road, payment for relief from construction of.....	282
steam road, planks used in.....	62
steam road, wages of derailler levermen at.....	64

	Case.
Crossings, street and highway, crosswalks at, investment in.....	31
street, establishment of, when new streets are opened.....	85
undergrade, construction items assignable to.....	202
Crossovers, guard rails used with.....	72
relocation and maintenance of, at reconstruction work.....	224
Crosswalks, adjustment of, in widening street under franchise requirement.....	42
construction of, in connection with paving and crossings work.....	31
Crucibles used with welding machine.....	51
Crushed stone filling for tracks, maintenance expense for.....	57
Crushing apparatus. (<i>See Stone crusher.</i>)	
Culvert, iron-pipe, for drainage purposes, installation of.....	89
Cup vending machines, installation of and revenue from.....	335
Cups distributed by penny slot machines, expense for.....	335
worn in rails, labor and material used in filling.....	271
Curbs, adjustment of, in altering street grade apart from track.....	162
adjustment of, in connection with track alinement.....	261
installation of, in depots or depot grounds.....	134
installation of, in connection with track alinement.....	261
installation of, under municipal requirement.....	134
installation of, when for separation of track space from highway.....	336
maintenance of, when for separation of track space from highway.....	336
relocation of, in widening street under franchise requirement.....	42, 84
Curves, filler blocks for.....	223
guard rails for.....	72, 223
Custom labor, receipts from.....	19, 25
Cutters, sleet, installation and maintenance of.....	169
Cutting scrap material for delivery to purchaser.....	138
trees and bushes standing near right of way.....	319
wires to permit moving of buildings through streets.....	73

D.

Dam for water supply of power station condensers, investment in.....	90
Damage, claims for, salaries and expenses of clerks engaged on.....	295
loss due to, when suffered on property stolen and later recovered.....	203
reserve to meet deferred repairs of.....	139
reserve to meet shippers' claims of.....	79
Damages payable for damage of another's property during construction.....	172
for ejection of passenger.....	150
Deadheading cars, wages of trainmen for time engaged in.....	306
Defalcation by conductor, loss through.....	231
Deficit in operation, public contributions made to meet.....	91
in special train receipts, guaranty payments made to meet.....	263
Delays of cars, statistical treatment of time lost by.....	40
Demurrage on cars billed on interline business.....	314
on cars containing coal for carrier's use.....	314
on cars switched for another carrier.....	254
Deposits, special, for investment purposes.....	298
trainmen's, unclaimed at leaving service.....	244
Depots. (<i>See Stations.</i>)	
Depreciation of equipment, adjustment for, when destroyed.....	183
of equipment for time prior to July, 1914.....	250, 311, 315
of equipment, repair charges for, at conversion.....	296
of equipment, requirements as to, by I. C. C.....	154
of furniture, subaccounts for.....	309
of leased equipment when handled in lessee's accounts.....	310
of miscellaneous equipment, subaccounts for.....	303, 309
of power property, carrier's option as to.....	154
of property other than equipment, for time prior to July, 1914.....	250, 311, 315
of shop equipment, subaccounts for.....	309
of station building, deduction for, when destroyed.....	240
of way and structures, carrier's option as to.....	154
Derailers at steam road crossings, wages of levermen at.....	64
Destroyed property, accounting for.....	183, 240, 252
Dials, paper, for watchmen's portable clocks used at carhouses.....	206
Disability, payments to employees during time of.....	10, 52, 110, 111

	Case
Discount in connection with operations excluded from operating expense.....	17
on bills for material purchased, credits for.....	153
on bonds issued prior to 1909, amortization of.....	322
on funded debt, inclusion of debt expense items with.....	86
Dispatching, agents and substation men incidentally aiding, wages of.....	187
electric clock service for use in.....	129
telephone booths for use in, installation and maintenance of.....	263
Distribution system, investment in, for use in light business.....	196
lightning arresters of, maintenance expense for.....	329
maintenance of, tools used for.....	51
meters of, investment in.....	159, 243
rebonding rails in connection with, maintenance expense for.....	287
subprimary accounts for.....	3, 159
<i>(See also Electric line.)</i>	
Ditch construction, assessment for, when carrier is partly benefited.....	119
remonstrance against, expense incident to.....	123
Dividends payable to sinking funds, appropriations to comply with requirements as to.....	312
Dogs, transportation of, revenue from.....	173
Draftsmen, engineering, supplies for.....	246
maintenance, work by, for use in claims and suits.....	343
Drainage by stream, assessment to create.....	207
of roadbed, installation and maintenance of tiling for.....	291
of undergrade crossing, investment items for.....	202
<i>(See also Catch basins, Culvert, Ditch, Sewer, Water.)</i>	
Drawings by maintenance draftsmen for use in injuries claims and suits.....	343
Dredging stream for drainage purposes, assessment for.....	207
Drilling of rails for bonding when merged in cost of rails.....	102
Drills, fire, at buildings and on ferryboats, expense for.....	263
Drinking-cup vending machines, cups purchased for sale in.....	335
installation of and revenue from.....	335
Driveway for handling freight at station, repairs of.....	299
Dump, removal of car ashes to, from cars.....	65
Dumping privileges, receipts from contractors for.....	297

E.

Ejectment of passenger, burial of trainman resulting from.....	118
criminal prosecution resulting from.....	118
damages payable by carrier for.....	150
disability due to, payment to conductor for.....	83
Electric alarm service for fire protection, expense for.....	342
clock service for dispatching office, expense for.....	129
current. <i>(See Power.)</i>	
Electric devices forming parts of car proper.....	5, 38, 48
Electric equipment of cars, definition of, as distinguished from car proper.....	5, 38, 157
investment items assignable to.....	38, 48, 160, 233
maintenance expense for.....	13, 14, 38, 157, 160, 233, 329
Electric equipment of locomotives, trolley parts includible in.....	38
Electric-light department of carrier. <i>(See Light business.)</i>	
Electric lights along track, repairs and renewals of.....	69
at stations, repairs and renewals of.....	69, 216
at stations, repairs of transformer for.....	242
at stopping points along line, power used for.....	140
for siding switch lights, wire installation for.....	94
in buildings, renewals of apparatus for.....	216
on cars, inclusion of fittings for, in car proper.....	5, 38
Electric line, contacts in, for operation of electric track switch.....	32
cutting of, to permit moving of buildings in streets.....	73
fire fighting for protection of.....	209
investment in, when for power and light business.....	153, 204
maintenance of, when located on public bridge.....	299
maintenance of, when used partly for light business.....	316
pit for change from underground to overhead.....	152
terminal houses for change from overhead to underground.....	107
tools for use on, renewals and repairs of.....	51, 299
wire attachments for, on poles of others.....	34
<i>(See also Distribution system, Transmission system.)</i>	

	Case.
Electric locomotive, definition of, as distinguished from car.....	47
Electrolyte for batteries of gasoline motor cars	182
Elevated railway, lighting system maintenance for, segregation of.....	116
railway, rails and ties used upon.....	115
railway, structural parts peculiar to.....	115
Elevator, passenger, in power plant, investment in.....	222
Emergency equipment for power plant, rent payable for.....	283
Employees, contributions to families of.....	10
deposits by, unclaimed on leaving carrier's service.....	244
fire drills by, expense incident to.....	268
hotel for, operating loss on.....	199
passes and cards for, printing of.....	255
pay of. (<i>See Labor, Salaries, Wages.</i>)	
payments to, while disabled by injury in service.....	10, 52, 110, 111
strike by, expense incident to.....	318
transportation of, disallowance of charges for.....	232
uniforms furnished to.....	345
Engine parts of gasoline motor cars, repairs of	182
Engineering department, draftsmen's supplies for.....	246
Engineers engaged in compiling data on way and structures, salaries of.....	80
for supervision of construction, salaries and expenses of.....	16
of power stations, wages of, for time engaged in repair work.....	55
of power system of allied companies, automobile for.....	288
Envelopes for filing canceled tickets.....	123
Equalization of general account totals for maintenance	192
of primary account totals for operating expenses.....	307
Equipment, conversion of, depreciation charges incident to.....	206
depreciation of.....	154, 250, 310, 311, 315
destruction of, loss by and salvage from.....	183
disposal of, when on hand at close of construction.....	137
inspectors of, salaries and expenses of.....	304
insurance on, while under construction.....	136
maintenance of, when leased for carrier's construction work.....	131
operation of, when leased for carrier's construction work.....	92, 131
rent for, when used in construction.....	92, 131
rent for, when used in maintenance or transportation.....	274
rent from, when furnished to contractor.....	59
rent from, when leased with road.....	142
(<i>See also Cars, Floating equipment, Locomotives, Miscellaneous equipment.</i>)	
Excavation for conduits of electric line.....	226
for roadway of undergrade crossings.....	202
for street work under franchise requirement.....	42
for underground construction.....	226
Excess cost of car couplers of heavier or improved type.....	189
of rail joints of improved character.....	238
of repaving with improved material.....	184, 251
of trestle replacing one destroyed by fire	252
Excess value of car improved by conversion of type.....	200
Expense bills for express and freight business, printing of.....	12
Expenses of officers and employees. (<i>See Personal expenses.</i>)	
Express cars. (<i>See Cars.</i>)	
Express revenue from service under agreement with express company	93, 328
from transportation of dogs.....	178
from transportation of newspapers.....	156
Express service, compensation from express companies for trainmen's assistance in.....	331
stationery used in, printing of.....	12
wages of general office janitor aiding in.....	109
wages of pilots on cars in.....	147
wages of substation attendant aiding in.....	108
Extensions, bonds set aside in special fund for.....	298
Extinguishers, fire, installation of.....	124
refilling and replacement of.....	125

F.

Fares. (<i>See Passenger revenue.</i>)	
Fastenings of rails. (<i>See Track.</i>)	Case.
Feeders, conduits for, excavation costs for.....	226
investment in, for use in power and light business.....	153
(<i>See Electric line.</i>)	
Fees for license under State inspection law.....	213
to attorney for services rendered to former management.....	324
to counsel in connection with railway merger.....	220
to registrars in connection with interest disbursement.....	77
to trustees for disbursement of bond interest.....	77
to witnesses and others at coroner's inquest.....	164
Fences. (<i>See Snow fences.</i>)	
Ferry expenses for general and miscellaneous items, segregation of.....	75
slips and fuel-oil tanks, maintenance of	74
Ferryboats, fire drills on, expense incident to.....	268
Filing of canceled tickets, bags and envelopes for.....	123
Filler blocks used with ordinary curves, investment in.....	223
Filling of dirt road to head of rail, investment cost of.....	100
of fire extinguishers in cars and power plants.....	125
of grounds of buildings, loading and unloading cinders for.....	166
of holes in ties, plugs for.....	63
of land, investment cost of.....	83
of land, receipts from, when done as privilege.....	207
of track with crushed stone, maintenance expense for.....	57
Fire alarm service furnished by telegraph company.....	342
drills at buildings and on ferryboats, expense incident to.....	268
extinguishers, installation of.....	124
extinguishers, refilling and replacement of.....	125
fighting to protect company property, expense for.....	209
hose in buildings, installation of.....	126
hose in buildings, renewals and replacements of.....	127
loss on station not covered by insurance.....	240
protection system in car barns, water-supply connection for.....	346
Flagmen aiding car service during track renewals, wages of.....	248
Flagstones, relocation of, in widening street under franchise requirement.....	84
(<i>See also Sidewalks.</i>)	
Floating equipment, fire drills on, expense incident to.....	268
maintenance superintendence of.....	290
Flood damage, reserve fund to cover deferred repairs of.....	139
Flowers about buildings, expense for.....	212
Footwalks along tracks of elevated railways, investment in.....	115
Foremen, track or section, wages of, in maintenance work.....	292
Foundation for ballast, paving work necessitated by failure of.....	174
for bridge over undergrade crossing, investment in.....	202
for ties and paving, investment in, when of concrete.....	221
for track at pit in carhouse or yard, investment in.....	153
Franchise requirement, bridge betterment under.....	194
bridge maintenance and operation under	70
electric-light repairs and renewals under.....	69
guaranty bond for compliance with, premiums on.....	53
paving work done under.....	42, 184
percentages of earnings payable under.....	67, 87
street alterations under, to change highway grade.....	162
street alterations under, to widen highway.....	42, 84
(<i>See also Operation rights.</i>)	
Freight bureau, salaries of weighmasters of.....	201
Freight cars. (<i>See Cars.</i>)	
Freight charges on company material improper when for carriage on company lines.....	143
on scrap material shipped to purchaser.....	138
Freight revenue, cartage receipts and expenses assignable to.....	132
overcharge debits to, when due to misrouting.....	323
rent debits to, improper when for use of equipment.....	133
transportation credits to, improper when for moving company material.....	143
Freight service, employees in, wages of, when engaged in switching.....	215
milk transported by, revenue from.....	285
pilots on cars in, wages of.....	147
stationery used in, printing of.....	12
(<i>See also Car service.</i>)	

	Case.
Frogs, guard rails used with, investment in.....	72
Fuel account, use of, for coal purchased in advance of operation.....	145
costs, unloading expense includible in.....	180, 181
expense for steam motor and gasoline motor equipment.....	4
Fuel-oil tanks on ferry wharf, maintenance of.....	74
Furniture, depreciation of, subaccounts for.....	309
investment items of.....	335, 337
maintenance of, for club room.....	239

G.

Gage glasses and glass preservers, power plant expense for.....	177
Garage expenses for official and service automobiles.....	151
Gas department, income and operating expense accounting of.....	28
Gasoline motor cars, repairs and operation of.....	4
repairs to motor features of.....	182
Gasoline supply for automobiles.....	151
General expenses, apportionment of, to coordinate departments.....	28
apportionment of, to ferry operations.....	75
auditing expense includible in.....	77
debts for, when carried in light department accounts.....	28
donations includible in.....	345
fees incurred under inspection law and includible in.....	213
guaranty bond premiums includible in.....	53
losses by theft includible in.....	103
strike expenses includible in.....	318
telephone expense includible in.....	68, 149, 167, 235, 337
General office clerks compiling reports for public bodies, salaries of.....	80
clerks handling departmental accounts, salaries of.....	66
clerks handling freight claims, salaries and expenses of.....	295
clerks on staff of purchasing agent, salaries of.....	302
interior telephone system, rent for.....	337
janitor aiding in line operations, wages of.....	109
space in carhouse buildings, investment charges for.....	104
space occupied by claims department, rent for.....	235
General officers, attendance expenses of, at traffic associations.....	179
automobiles for, expenses and repairs of.....	151
salaries and expenses of, items includible in.....	219, 302
Glasses for car headlights.....	120
for power plant gages.....	177
Globes for headlights.....	120
Governments, property of, payments for operation rights on.....	24, 81
reports to, salaries of clerks and engineers engaged on.....	80
(See also <i>Municipalities, State.</i>)	
Grade of street, change of, when apart from right of way.....	162
city assessment for.....	85
lowering of track for conformity with.....	320
Grading, camp for employees in, proceeds from sale of.....	258
cinders used for, hauling and unloading of.....	289
clearing right of way in connection with.....	191
ditching work incident to.....	119
drainage tiling installation incident to.....	291
filling of land incident to.....	83
lowering of track by, for conformity with street grade.....	320
parkways between tracks established by.....	256
retaining-wall construction incident to.....	35
steam shovel used for, during construction period.....	137
Grants in aid of construction or acquisition of property.....	91
Gratuities. (See <i>Contributions.</i>)	
Grenades, fire, replacement of.....	125
Grinding apparatus for cleaning boiler-tube caps at power plants.....	130
for work on rails, classification of, as tools or equipment.....	277
Gross earnings, percentages of, payable under franchise requirement.....	67, 87
Grounds of buildings, filling of, loading and unloading cinders for.....	166
plank driveway in, repairs of.....	259
plants and lawns for, expense for.....	212
street improvements within limits of.....	134
(See also <i>Land.</i>)	

	Case.
Grubbing tools for removal of weeds from track and roadway	61
Guaranty of compliance with franchise, premium on bond for	53
of special train revenue, deficiency received under	263
Guard rails at ordinary curves, investment in	72, 223
at special work, investment in	72
on bridges, investment in	225
on cars, investment in	267
on elevated railways, investment in	115
Gutters, installation of, in depots or in depot grounds	124
installation of, under municipal requirement	124

H.

Hammers, paving, purchased for construction work	76
Hand cars, investment in and maintenance of	173
grenades, replacement of	125
tools for use in construction	76
tools for use in power plants	237
Harps, trolley, repairs and first cost of	38
Hauling cinders from power plant for use in maintenance	289
construction material from storeroom to point of use	114
<i>(See also Cartage.)</i>	
Headlights, carbons for	33, 120
construction and repair parts for	38
glass fronts for	120
globes for	120
handling of, wages of general office janitor engaged in	109
investment in	48
Heaters and wiring, electric, inclusion of, in car structure	5, 38
Heating, power used for	7
Highway, ditch for, assessment for construction of	119
operation rights on, payments for	20, 81
sprinkling of, expense for and revenue from	30
<i>(See also Crossings, Roads, Streets.)</i>	
Hose for construction work	76
for fire protection	126, 127
Hotel for employees, loss on operation of	199
Houses, terminal, for change from overhead to underground line	107
Hydrant wrenches and reducers purchased for construction uses	76
Hydrants, adjustment of, in widening street under franchise requirement	42

I.

Icing cars, car-service expense for	305
Idle time of equipment rented for use in construction, rent for	121
of equipment engaged in car service, statistics for	49
Ignition parts of motive equipment of gasoline motor cars, repair of	182
Improvements. <i>(See Betterments, Excess cost.)</i>	
Injuries, case concerning, premium on appeal bond in	280
claims for, maintenance employees' work in connection with	343
disability due to, payments to employees during	10, 53, 110, 111
Inquest by coroner, fees of witnesses and others at	164
Insignificant items, optional accounting for	94, 124, 126, 239
Inspection law, license fee payable under	213
Inspectors of car equipment, wages of	304
of car movement, wages of	304
Installation costs. <i>(See Construction.)</i>	
Instruction rooms, rent payable for	229
Insurance premiums incident to construction	136
Interest in connection with construction	17, 308
in connection with operations	17
on bonds, expense for disbursement of	77
on bonds of lessor when payable by lessee under rental agreement	333
on carrier's bonds, accrued up to time of reacquirement	313
on carriers' securities owned, sinking fund credits to represent	313
on unpaid assessments for paving	267

	Case.
Interline business, demurrage incident to.....	814
service, payments based on passenger revenue incident to.....	45
settlements, adjustment of joint station expense by.....	332
settlements, redemption of transfers in.....	205
Interlockers, maintenance of, tools used in.....	51
Investigation of claims, pay and expenses of clerks engaged in.....	295
Investments in affiliated companies in form of advances.....	340
Issue of bonds, expense incident to.....	9
of stock, conditions indicative of.....	186

J.

Janitor at general office aiding in line operations, wages of.....	109
Joint facilities. (<i>See Bridges, Stations.</i>)	
Joints of rails, paving work necessitated by maintenance of.....	146, 279
welding of, first cost of.....	238, 270
Judgments. (<i>See Damages.</i>)	

K.

Keys for switch locks, car-service expense for.....	326
---	-----

L.

Labor for bonding rails by welding process.....	270
for constructing crosswalks.....	31
for constructing retaining wall to protect roadway banks.....	35
for constructing roadway of undergrade crossings.....	202
for filling dirt road between tracks.....	100
for handling material at point of delivery to carrier.....	60, 180, 181
for hauling material from storeroom to point of use.....	114
for installing concrete foundation for track and paving.....	221
for installing underground construction.....	113
for installing wiring of electric switch lights.....	94
for laying tiling to drain roadbed.....	291
for macadamizing road.....	100
for maintenance work by filling track.....	57
for operation of creosoting plant.....	158
for planting flowers and shrubs about buildings.....	212
for removal of car ashes from cars to dump.....	65
for removal of weeds from track and roadway.....	61
for repairing and renewing electric lights along tracks and at stations.....	69
for repairing contacts and wiring for electric track switch.....	32
for repairing track prior to installation of paving.....	251
for repairing track rails and special work by welding.....	271, 272
for sprinkling street in front of stations.....	121
for trimming trees and bushes standing close to right of way.....	319
for unloading maintenance material at point of use.....	60
for work performed for outside parties.....	25
Lamps. (<i>See Electric lights, Lighting.</i>)	
Land, filling of, investment costs for.....	83
filling of, maintenance expense in connection with.....	166
filling of, under dumping privileges, receipts from.....	297
investment in, when acquired for buildings and grounds.....	135, 262
investment in, when acquired for reservoirs and pipe lines.....	228
investment in, when acquired with but not for right of way.....	262, 301
rent for, when for location of Y or switch.....	33
rent for, when for occupancy by buildings used in operation.....	8, 241
rent for, when for storage of material.....	3
rent for, when for temporary structures used during construction.....	257
titles of, examination of, in connection with bond validity.....	86
Law expense for examination of matters affecting bond validity.....	86
for prosecution of person killing trainman.....	118
for services in connection with railway merger.....	220
for services rendered to receivers.....	219, 324
in connection with remonstrance against ditch construction.....	128
Lawns at buildings, expense for mowing of.....	212
Laying construction material. (<i>See Paving, Tiling, Track.</i>)	

	Case.
Leased property, depreciation on, when accounted for by lessee.....	310
electric lights and fixtures for.....	69
investment cost of vending machines held as.....	235
investment in railway line constructed on.....	2-7
maintenance and operation of, by lessee of bridge.....	70
repairs to, by lessee of buildings or rooms.....	43, 44
(See also <i>Operation rights, Rents.</i>)	
Level boards purchased for construction work.....	76
Levermen on derailleurs at steam road crossings, wages of.....	64
License fee under state inspection law.....	213
tax for privilege of operation.....	67, 67
Light business, auxiliary operation accounts for.....	28, 185, 198, 300
balance-sheet for, to be merged with railway balance sheet.....	23, 153
electric line investment for use in.....	153, 198, 214
electric meters for use in, investment in.....	159, 243
expense for, when carried wholly in railway accounts.....	198
general expense apportionable to.....	28
investment for, to be merged with railway investment in reports.....	300
maintenance expense apportionable to.....	316
pole and fixture investment for use in.....	300
power costs apportionable to.....	7, 23, 29, 300
power station investment for use in.....	153, 190, 198
reading of meters for, by railway employee.....	243
store and stable expense apportionable to.....	41
taxes assignable to.....	28
Lighting, fittings for, inclusion of, in car structure.....	5, 38
fittings for, when located along tracks, repairs and renewals of.....	69
fittings for, when located in buildings, maintenance of.....	69, 216, 242
power purchased for.....	7, 21, 140, 165
system for, clearing account for maintenance of.....	116
wiring for, inclusion of, in car structure.....	5, 38
wiring for, at siding switch lights, installation of.....	94
wiring for, at stations, repairs and renewals of.....	69
Lightning arresters, installation of.....	329
Linemen, automobiles for, expenses and repairs of.....	151
Loading cinders for filling grounds of buildings.....	106
for removal from power plants.....	289
Locks for switches, keys for.....	326
Locomotive features of equipment. (<i>See Electric equipment, Motive equipment.</i>)	
Locomotives, appurtenant parts of.....	5, 106, 120, 124, 210, 261
electric, definition of, as distinguished from car.....	47
motive equipment of.....	38, 329
steam, rent payable for, when used in construction.....	131
steam, repairs and operation of.....	4, 131
wages of crews of, when engaged in switching service.....	215
Loss through damage to material stolen and later recovered.....	203
through defalcation of conductors.....	231
through destruction of car by wreck.....	183
through destruction of uninsured building by fire.....	240
through operation of hotel for employees.....	199
through robbery of conductor.....	231
through theft of conductors' remittances.....	103
Loss and damage claims, clerks engaged on, pay and expenses of.....	295
reserve for, creation and adjustment of.....	79
Lubricants for automobiles.....	151
for steam motor and gasoline motor equipment.....	4

M.

Macadamizing of road, investment costs for.....	100
Machine, bonding, classification of, as tool or equipment.....	277
reseating, for cleaning boiler-tube caps at power plants.....	130
track riveting, investment in.....	233
vending, for sale of sanitary drinking cups, investment in and revenue from.....	335
Machine tools for power plants, repairs of.....	237
Machinery for concrete mixer, maintenance of.....	14
for pile driver, maintenance of.....	14
for steam shovel.....	14, 137
for stone crusher.....	14, 176

	Case.
Machinery in air-compressor stations, maintenance and operation of.....	95
in power plant, investment in, when for light business.....	190, 198
in power plant, salary and expenses of supervising engineer for.....	16
mounted on cars.....	14, 137, 233
Mail cars. (<i>See Cars.</i>)	
transfers from cars to post office.....	58
Maintenance, accounting for, salary of general office clerks engaged in.....	66
apportionment of, between operating carrier and others.....	260
apportionment of, between railway and light departments.....	316
assessments payable for, under public requirements.....	2
clearing account for segregation of, for lighting system.....	116
creosoting plant costs apportionable to.....	158
employees in, charges disallowed for free transportation of.....	232
employees in, tools and brushes for.....	334
employees in, work performed by, for use in injuries cases.....	343
equipment for, charges improper for departmental use of.....	59
equipment for, rent payable for.....	274
foremen engaged in, wages of.....	292
guaranty bond premiums in connection with.....	53
power costs assignable to.....	344
superintendence of, for floating equipment.....	210
tools for use in, repairs and renewals of.....	51
trainmen engaged in, wages of.....	306, 344
wagon expense apportionable to.....	18
(<i>See also Renewals, Repairs, and references to specific items of property.</i>)	
Manager, general. (<i>See General officers.</i>)	
Maps made by maintenance employees for use in injuries cases.....	343
Markers, general office janitor engaged partly in care of, wages of.....	109
Material, accounting for, when purchased in advance of use.....	145, 192
creosoting of, expense of plant for.....	158
discount credits on bills for.....	155
freight charges on, improper when carried on company's line.....	143
handling of, at point of delivery to carrier.....	60
hauling of, from storeroom to point of use.....	114
insurance on, when for construction purposes.....	136
loss debits on, when stolen and damaged before recovery.....	203
sales of, receipts from.....	25, 249
salvage credits for, when from car destroyed in wreck.....	183
salvage credits for, when from trolley bracket renewals.....	249
storage of, rent of land for.....	36
store expenses on, apportionment of.....	6
unloading of, at point of use.....	60
(<i>See also reference to specific items of property.</i>)	
Mattocks purchased for use in construction.....	76
Mechanical department accounts handled in general office, salaries of clerks engaged on.....	66
Merger of railways, counsel fees in connection with.....	220
Meters for power sold, investment in.....	159, 243
reading of.....	243
Mileage books, receipts from sales of.....	50
unpresented coupons of.....	50
Milk transportation, revenue from, when carried in express service.....	328
when carried in freight service.....	285
Mine operations, maintenance and operation of railway cars used in.....	245
Miscellaneous equipment, subaccounts for depreciation of.....	303, 309
Miscellaneous physical property, investment and expense for orchard held as.....	301
taxes on gas property held as.....	28
Misrouting of shipment, overcharges refunded because of.....	323
Motive equipment of electric cars. (<i>See Electric equipment of cars.</i>)	
of electric locomotives, trolley parts includible in.....	38
of motor cars, repairs of.....	4, 182
Motor cars, repairs of.....	4, 182
revenue from, when used in work for others.....	171
Motormen, orders for, printing of.....	56
strike by, expense due to.....	318
wages of, when in nonrevenue service.....	306
wages of, when in service of contractor.....	59
(<i>See also Trainmen.</i>)	

	Case.
Motors at shops, power used for.....	21
for air governors and air pumps on cars, repairs to.....	5
of cars, carbon brushes for.....	38
Moving of property. (<i>See Relocation.</i>)	
Mowing lawns at buildings, expense for.....	212
Municipalities, assessments by, for street or sewer work.....	85, 99, 124, 161
construction expense of, assumed by carrier.....	162, 194, 217
contribution by, toward cost of bridge used partly by public.....	260
franchise taxes imposed by.....	67, 87
grade reduction required by.....	320
guaranty bonds furnished to, premiums on.....	53
interest payable to, on unpaid assessments.....	267
license taxes imposed by.....	67, 87
payments to, for operation rights.....	20, 67, 87, 163, 200
payments to, for permit to open pavement for repairs.....	140
percentages of earnings payable to, under franchise.....	67
sprinkler car service furnished to, revenue from.....	30
street work required by.....	42, 84, 99, 134, 162, 184, 185
wire cutting required by, when buildings are moved.....	73

N.

Newspaper transportation, revenue from.....	153, 317
Nonrevenue service, repairs and operation of equipment in.....	4
wages of trainmen assigned to.....	306
Nose plows attached to cars. (<i>See Snow plows.</i>)	
Numbering of accounts for convenience of carrier.....	1

O.

Office employees. (<i>See Clerks, Janitor.</i>)	
Officers, attendance expenses of, at traffic associations.....	179
automobiles for.....	151, 268
cards and passes for, printing of.....	253
telephone service for.....	149, 167
Offices, buildings used partly for, investment in.....	104
electric clock service for.....	129
interior telephones for.....	337
supplies for, apportionment of costs of.....	28
telephone service for.....	149, 235
temporary, for use by construction timekeepers.....	267
(<i>See also General office.</i>)	
Oil for automobiles.....	151
for power station transformers.....	211
(<i>See also Lubricants.</i>)	
Oil cans for use in operating departments.....	209
Oil tanks for ferry operation, maintenance of.....	74
Operation of air-storage apparatus.....	11, 95
of bridge jointly used by carriers and public.....	200
of cars of another company on carrier's line.....	45, 147, 148
of creosoting plant for treatment of company material.....	158
of equipment rented from others for construction uses.....	92, 131
of ferry, apportionment of general expenses for.....	75
of hotel for construction and operating employees.....	199
of light plant.....	28, 188, 198, 200
of motor cars.....	4
of orchard acquired with right of way.....	301
of power plant, expenses incident to.....	55, 269
of public bridge when expense is partly borne by carrier.....	70
of recreation room for employees.....	239
of service cars used in switching service.....	339
of sprinkler car for revenue purposes.....	30
of steam locomotives.....	4, 131, 215
of telephone lines, expense incident to.....	68, 149, 167
of track crane, power partly for.....	165
of wagons for both maintenance and construction work.....	18
of work cars used for construction purposes.....	89
of work trains in maintenance service.....	244

	Case.
Operation rights in city, license tax payable for	67, 87
in street subways, public expense borne by carrier in return for	162
on county bridge, expenses partly borne in return for	70
on Government bridge, payments for	24
on Government reservation, payments for	81
on private property, power furnished in return for	338
on private property, rent payable for	20
on public bridge, payments for	163, 299
on public streets and highways, payments for	20
on viaduct of another company, payments for	327
(See also <i>Franchise requirement.</i>)	
Orchard, investment in and operation of, when acquired with right of way	301
Orders for trainmen, printing of	56
Ordinances, requirement under. (<i>See Municipalities.</i>)	
Other operations, general expenses apportionable to	28, 188
maintenance expenses apportionable to	188, 245, 316
omission of accounts for, when not needed	27
power costs apportionable to	7, 23, 29, 188, 198, 300
store and stable expense apportionable to	41
wages apportionable to	245
Outside operations. (<i>See Auxiliary operations.</i>)	
Overcharges, claims for salaries and expenses of clerks engaged on	295
refunds of, when due to misrouting of shipment by error	323
Overhead expense, credits for, when charged as construction cost or to outside parties	19
Overhead lines, contacts in, for track switch connection, repairs of	32
cutting of, to permit use of streets by others	73
pit for change from, classification of	152
supporting fixtures for, classification of	46
terminal house for change from, installation and repairs of	107
(See also <i>Electric line.</i>)	
Overtime of employees taking place of strikers, pay for	318
P.	
Packing expense for shipment of scrap material to purchaser	138
material for power plants	237
Painters, tools and brushes for, when in maintenance work	334
Painting of cars	287
of switch targets	341
Paper, blue-print, for engineering department	246
Park, free private, improvements and maintenance of	26
Parkways, grading of, between tracks and street	256
Passenger car hours, definition of	40
Passenger cars. (<i>See Cars.</i>)	
Passenger revenue debits for relief of conductors' shortages	160
debits for transfers presented by other companies	205
from mileage book sales	50
from mileage coupons unpresented	50
from service involving use of others' property, rents based upon	45, 327
from tickets expiring at close of month	278
from tickets sold and unredeemed	286, 321
from transfers redeemed by other companies	205
from transportation of corpses	170
Passenger service, newspapers transported by, revenue from	156
pilots in cars in, wages of	147
Passes for officers and employees, printing of	255
Patents used in conversion of cars, royalties paid on	275
Patrol roads of water-supply system, investment in	229
Patterns for casting of car parts used in construction and repairs	71
Paving assessments payable to municipality	2, 85, 99, 134, 161, 267
installation in depots and depot grounds	134
installation of railway's share on streets not previously paved	85, 99, 134, 185, 261, 264
installation on street intersections of right of way	226
installation on streets widened under franchise requirement	42, 84
investment for crosswalks installed with paving	31
investment for macadamizing of road	100

	Case.
Paving maintenance on bridge used under long-term lease or franchise.....	70,290
permit costing amount to cover city's replacement expense.....	146
removal preceding track maintenance work.....	174,279
replacement incident to construction work.....	112
replacement incident to track maintenance.....	174,279
replacement incident to track relocation.....	264
replacement with improved material.....	184,251
Paving hammers purchased for construction work.....	76
Pay of employees. (<i>See Commissions, Labor, Salaries, Wages.</i>)	
Per diem payable on foreign cars.....	13
Percentages of earnings, guaranty bonds for payment of, premiums on.....	53
payments of, to municipality.....	67,87
Permit from city to open pavement for track repairs.....	146
Perpetual lease, construction and maintenance on right of way held under.....	247
installation of and revenue from vending machines held under.....	336
Personal expenses of car-service agent and his clerks.....	305
of clerks engaged on claims.....	295
of general manager attending traffic associations.....	179
of inspectors of equipment.....	304
of purchasing agent and his assistants.....	22
of receivers.....	219
of supervising engineer for construction.....	16
Pile driver, maintenance of car and machinery of.....	14
operation of, when rented for construction use.....	92
rent payable for, when rented for construction use.....	92
rent payable for, when rented for maintenance use.....	274
Pilots directing operation of cars, wages of.....	147,148
Pipe conduits for water supply of power station condensers.....	90
conduits from air-compressor stations. (<i>See Conduits.</i>)	
culverts for drainage purposes.....	89
lines of water-supply systems, water rights and land for.....	228
supports for stop signs.....	276
Pit at point of change from overhead to underground line, classification of.....	152
in carhouse, concrete track foundations at.....	152
in yard for examination and repair of equipment.....	152
Plain back filled track, maintenance material and labor on.....	57
Planking at steam road crossings, maintenance and construction costs for.....	62
on public bridge used under lease or franchise, maintenance of.....	299
Plugs. (<i>See Spark plugs, Ties.</i>)	
Pockets, coal, investment in.....	106
rent payable for.....	208
trestle for, investment in.....	101
Poles, attachments to, expense for and revenue from.....	34
bracket devices on, for support of trolley wires.....	46,97
creosoting plant expense apportionable to.....	158
installation of, for power and light business.....	153
installation of, on private property, privilege of.....	20
investment in, when used solely for light business.....	300
maintenance of, apportionable to light department.....	316
maintenance of, when located on public bridge.....	299
protection of, against fire, expense for.....	269
readjustment of, in widening street under franchise requirement.....	42
transformers on, for station lights, repairs of.....	242
Police protection in time of strikes.....	318
Power apportionable to coal mine operations of carrier.....	245
apportionable to construction for operation of work cars.....	21
apportionable to coordinate departments.....	7, 23, 29, 300
apportionable to operating departments.....	21
furnished to others in return for operation rights.....	336
purchased for car service, segregation of expense for.....	141
purchased for lighting cars and carhouses.....	165
purchased for lighting stopping points along line.....	140
purchased for operation of jointly used bridge.....	260
purchased for operation of track cranes.....	165
purchased for use by coordinate departments.....	7, 300
used by work trains engaged in maintenance.....	344

	Case.
Power business, accounting for, as an auxiliary operation.....	188
balance sheet for, merged with railway balance sheet.....	23, 153
equipment for, investment in.....	153
meter reading in connection with.....	243
meters used in, investment in.....	159, 243
power costs apportionable to.....	7, 23
power lines for, investment in.....	204
Power lines. (<i>See Distribution system, Electric line, Transmission system.</i>)	
Power plant boiler-tube caps, reseating machine for cleaning of	130
boiler tubes, apparatus for cleaning of.....	122
buildings, betterment of, by partial reconstruction.....	234
buildings, investment in, when for light business.....	190, 198, 300
cinders used in maintenance, handling and hauling of.....	289
coal, labor for unloading of.....	181
coal pocket, investment in.....	105
coal pocket, rent payable for.....	208
coal trestle, investment in.....	101
employees, wages of, for time unloading coal.....	181
equipment, investment in, when for light business.....	190, 198, 300
equipment, investment in, when of substation type.....	196
equipment, rent payable for.....	283
fire alarm service.....	342
fire extinguishers.....	124, 125
fire fighting expense.....	269
gase glasses and glass preservers.....	177
grounds, maintenance items for.....	166, 212
lighting fixtures and lamps, renewals of.....	216
lightning arresters.....	329
machinery, salary and expenses of engineer supervising installation of.....	16
packing material.....	237
passenger elevator, investment in.....	222
smokestack, repairs to.....	195
tools, maintenance expense for.....	209, 237
transformer oil, investment in and renewals of.....	211
water-supply system for condensers, investment in.....	325
(<i>See also Power station.</i>)	
Power station buildings, tools used in maintenance of.....	51
employees, wages of, for time on repair work.....	55
equipment, investment in, when for power and light business.....	153
land, investment in.....	135
tracks, investment in.....	229
wagon roads, investment in.....	229
water-supply system for condensers, investment in.....	90
(<i>See also Power plant, Substation.</i>)	
Premiums on appeal bonds in injuries cases.....	280
on bonds reacquired.....	313
on guaranty bonds given by carrier.....	53
President, automobile of, expense for.....	151
Printing of cards and passes for officers and employees.....	255
of conductors' reports and shortage notices.....	12
of matter used in express and freight business.....	12
of orders for conductors and motormen.....	56
of tariffs.....	56
Private park of carrier, improvements and maintenance of.....	26
property used by carrier. (<i>See Privilege.</i>)	
Privilege in connection with vending machines leased by carrier.....	335
of cutting trees standing near right of way.....	319
of dumping dirt on carrier's land, receipts from.....	297
of locating carrier's poles on private property.....	20
of operating cars on carrier's line, receipts from.....	148
of operating cars on private property.....	20, 327, 338
Profit from custom labor.....	25
from sales of storeroom material.....	25
Profit and loss credits for unredeemed tickets of former years.....	321
debts for depreciation written off.....	183, 310, 315
debts to exclude bond discount from property investment.....	322

	Case.
Public grants received by carrier.....	91
property used in carrier's operations. (<i>See Bridges, Operation rights.</i>)	
Purchasing agent and staff, salaries of.....	302
department expense apportionable to investment.....	22
Push cars, installation and maintenance of.....	173
Q.	
Quarry plant for stone ballast production, investment in.....	176
R.	
Rail fastenings, paving work incident to renewals of.....	279
grinder, classification of, as tool or equipment.....	277
joints, paving work incident to renewals of.....	279
joints, welding of.....	238, 270
tongs purchased for construction use.....	76
Railings along elevated railway tracks, investment in.....	115
Rails, bridge and trestle, structural classification of.....	115
cartage of, from yard to point of use in construction.....	193
drilling of, for bonding, inclusion of, in rail cost.....	102
elevated railway, structural classification of.....	115
guard, for cars, expense for installing.....	287
guard, investment in, when parts of timber structure.....	115, 225
guard, investment in, when parts of track structure.....	72, 223, 225
rebonding of.....	287
relaying of, permit for work incident to.....	146
relaying of, with improved material.....	266
removal of, in connection with replacements.....	266
renewals of, paving work incident to.....	279
repairs of, by filling cups by welding process.....	271
replacement of, labor costs incident to.....	266
welding of, for installing rail joints.....	238, 270
welding of, for repairs.....	271
(<i>See also Track.</i>)	
Reacquirement of bonds, accounting for.....	313
Reading of meters for power sold, wages of employees engaged in.....	241
Real estate. (<i>See Buildings, Land.</i>)	
Rebonding of rails, expense for.....	287
Receivers of conductors' collections, rent for space used by.....	239
of road, allowances and expenses of.....	219
Reconstruction of car, additions and betterments incident to.....	296
of line, maintenance of temporary track during.....	224
of trestle after destruction by fire.....	252
(<i>See also Conversion.</i>)	
Recreation rooms, expense incident to operation of.....	239
furniture and equipment maintenance for.....	239
rent of building space used partly for.....	239
Redemption of tickets, debits for, to ticket suspense account.....	49
of transfers, interline settlements of.....	205
Reducers, hydrant, purchased for construction use.....	76
Refilling of fire extinguishers in cars and power plants.....	125
Refinement in accounting, option as to.....	16, 94, 108, 109, 124, 126, 263
Refrigerator cars, expense for icing of.....	303
Registrars' fees in connection with interest disbursement.....	77
Relaying of curbs in connection with track realignment.....	261
of rails, permit for work incident to.....	146
of rails with improved material.....	266
Relief department, operation expense of and contributions to.....	10
Relocation of curbs at realignment of tracks.....	261
of curbs in widening street under franchise requirement.....	42, 84
of flagstones in widening street under franchise requirement.....	84
of track temporarily during other work.....	88, 224
of track under State requirement.....	264
Remonstrance against ditch construction, expense incident to.....	128

	Case.
Removal of car ashes to dump.....	65
of cinders from power plant.....	289
of paving for installation of improved material.....	184
of paving in connection with track maintenance.....	174, 279
of rails for installation of improved material.....	266
of snow fences.....	117
of storm sashes from cars.....	287
of trees and stumps from right of way.....	191
of trees and bushes standing near right of way.....	319
Renewals of fire extinguishers in cars and power plants.....	125
of fire hose in buildings.....	127
of hand cars and push cars.....	173
of lighting apparatus along line.....	69
of lighting apparatus in buildings.....	69, 216
of motive features of motor cars.....	182
of ties, equalization of expense for.....	192
of tools used in maintenance work.....	51
of track material, paving expense incident to.....	279
of transformer oil for power stations.....	211
of trolley brackets, scrap material from.....	249
of trolley retrievers and catchers.....	210
of velocipedes.....	173
Rent accrued on equipment standing idle.....	131
apportionable to coordinate departments.....	28
debts improper as means of apportioning costs.....	59, 316
for cars of others used in carrier's service.....	133, 141
for cars payable in form of demurrage.....	314
for cars payable in form of per diem.....	13
for coal pockets appurtenant to power plants.....	208
for equipment of another company used in through service.....	45
for general office space used by claims department.....	235
for instruction rooms.....	239
for land occupied by temporary buildings used during construction.....	257
for land occupied for carhouse purposes.....	8, 241
for land occupied partly by repair shop and storeroom.....	241
for land used as storage space for maintenance and construction material.....	36
for land used as track space.....	20, 33
for leased road in form of interest on lessor's bonds.....	333
for operation rights on private property.....	20, 338
for operation rights on viaduct of another company.....	327
for power plant equipment held for emergency use.....	283
for receiving rooms for conductors' collections.....	239
for recreation rooms for use of employees.....	239
for right of way on Government reservation.....	81
for telephone interior systems in general offices.....	337
for telephone lines used by carrier in car operation.....	68
for telephone service in stations and offices.....	149
for transmission line space in subway of another company.....	175
for work equipment used in construction work.....	92, 131
for work equipment used in maintenance work.....	274
from attachments to poles by others.....	34
from building partly subleased by carrier to others.....	330
from equipment assigned to service with contractor.....	59
from freight line leased to steam road.....	142
from office space in building used partly by carrier.....	37
from operation rights on company's tracks.....	148
from road leased on terms requiring payment by lessee of interest on lessor's bonds.....	333
Rented property. (<i>See Leased property, Rent.</i>).....	
Renumbering of accounts for convenience of carrier.....	1
Repair shop, rent for land occupied partly by.....	241
truck used also for transportation, investment in and revenue from.....	317
wagons, apportionment of expense for.....	18
Repairs, accounting for, at conversion of car.....	296
accounting for, when made to leased property.....	43, 44, 69, 131
deadheading cars for, wages of trainmen engaged in.....	306

	Case.
Repairs, employees engaged incidentally in, wages of.....	55
patterns used in.....	71
paving work incident to.....	174
permit by city for work incident to.....	146
reserve for, when delayed beyond current year.....	130
storage land rent apportionable partly to.....	36
storeroom expense apportionable to.....	273
tools used in, first cost and maintenance of.....	51
work car used in, when for benefit of another road.....	171
(See also Maintenance, and references to specific property items.)	
Repaving. (See Paving.)	
Replacement of carhouse watchmen's portable clocks.....	206
of electric equipment parts.....	160
of fire grenades in cars and power plants.....	126
of fire hose in buildings.....	127
of paving when cost is covered by payment to city for permit to open pavement.....	146
of paving when incident to construction work.....	112
of paving when incident to track repair work.....	174, 279
of power plant equipment.....	122, 130, 177
of rail with improved material.....	266
of trestle destroyed by fire.....	252
(See also Maintenance, Renewals.)	
Reports of conductors, printing of.....	12
to Interstate Commerce Commission, requirements as to.....	6, 12, 41
to regulating bodies, salaries of employees engaged on.....	80
Reseating machine for cleaning boiler-tube caps at power plants.....	130
Reservation, government, payment for operation rights on.....	81
Reserve for depreciation accrued prior to July 1, 1914.....	250, 315
for depreciation charged by lessee of equipment.....	310
for depreciation, exclusion of repair expense from.....	296
for depreciation prior to July 1, 1914, excluded from operating expenses.....	311
for loss and damage claims.....	79
for postponed repairs of flood damage to road.....	139
Reservoirs, wagon roads for patrolling of, investment in.....	229
water rights and land for, investment in.....	228
Resetting curbs in realining tracks.....	261
in widening street under franchise requirement.....	42
Retaining wall for protecting roadway banks, construction and maintenance for.....	35
Retirement of equipment, accounting for.....	183, 315
Retrievers, trolley, installation and maintenance of.....	210
Revenue accounts not chargeable with payments to others for use of their equipment.....	133
credits for revenue deficiency made good under guaranty.....	263
credits improper for transportation of company material.....	143
debits for conductors' shortages relieved.....	160
debits for freight overcharges.....	353
debits for transfer settlements with other companies.....	205
from advertising for others.....	227
from auxiliary operations.....	188
from cars furnished for private use.....	197
from cars run on extra trips to handle traffic.....	197
from cartage covered by freight rates.....	132
from corpse transportation.....	170
from dog transportation.....	178
from express service.....	93, 156, 178, 328
from milk transportation.....	285, 328
from newspaper transportation.....	156, 317
from operation of vending machines.....	335
from rent of buildings.....	330
from repair work done for steam road.....	171
from sprinkler car service furnished to city.....	30
from switching of steam road cars.....	339
from ticket sales.....	278
from tickets unredeemed.....	286, 321
from transfers redeemed.....	205

	Case.
Right of way, assessments on property held for.....	85, 119, 161, 207
betterments of public bridge used as.....	194
construction work on, damage costs incident to.....	172
construction work on, payment for relief from.....	282
contribution by carrier to public bridge used as.....	217
curbs for protecting, investment and maintenance for.....	336
investment in, when costs are payable in form of public improvements.....	162
paving on, where intersected by public street.....	236
removal of trees and stumps on.....	191
removal of trees and bushes standing close to.....	319
removal of weeds from.....	61
rent, payable for, when located on property of others.....	81, 338
station space included in or contiguous with, investment in.....	262
widening of street space along.....	42, 84
<i>(See also Roadbed, Roadway.)</i>	
Rings, carbon, for power plant turbines.....	237
Riveting machines mounted for track work, installation and maintenance of.....	233
Road and equipment accounts. <i>(See Construction.)</i>	
Road constructed under contract, distribution of debits for.....	218
leased to another carrier, income from.....	142
purchased, inclusion of delayed items in cost of.....	324
Roadbed, drainage of, installation and maintenance of tiling for.....	201
filling of land used for.....	83
grading and widening of, expense incident to.....	289
<i>(See also Right of way, Roadway.)</i>	
Roads, construction of, at undergrade crossings.....	202
filling of, to head of rail.....	109
investment in, for power stations and water-supply system.....	229
<i>(See also Crossings, Driveway, Highway, Streets.)</i>	
Roadway ditches, investment in.....	119
labor, investment items for.....	100, 113, 221
labor, maintenance items for.....	35, 61, 291, 292, 319
machinery and tools.....	137, 173, 176
protection against fire.....	269
protection against high tides.....	35
<i>(See also Right of way, Roadbed.)</i>	
Robbery of conductor, loss to carrier by.....	231
Roller, steam, rent for, when used in maintenance.....	274
Rooms. <i>(See Offices, Rent.)</i>	
Routing of shipment, overcharge due to error in.....	323
Royalty on patent used in conversion of cars.....	275
Rubber bands used by conductors in sorting and bunching tickets.....	168

S.

Salaries of car-service agent.....	305
of clerks compiling reports to regulating bodies.....	80
of clerks engaged on freight claims.....	295
of clerks handling department accounts in general offices.....	66
of clerks of car-service agent.....	305
of clerks when apportionable to coordinate departments.....	28
of engineer supervising construction and installations.....	16
of engineers compiling data for reports to regulating bodies.....	80
of purchasing agent and assistants.....	22, 302
of storeroom employees.....	302
of weighmasters of freight bureau, payments by carrier toward.....	201
<i>(See also Wages.)</i>	
Sale of advertising space in time-tables, receipts from.....	227
of bonds, expense incident to.....	9
of bonds, receipts from, set aside for property investment.....	298
of grading camp, receipts from.....	258
of material from storeroom, profit from.....	25
of passenger transportation.....	49, 50, 278
of sanitary cups from vending machines, receipts from.....	335
of scrap material, adjustment of salvage credits after.....	249
of scrap material, expense deductions from receipts for.....	138
of stamps used for newspaper prepayment, receipts from.....	156
of work equipment after use in construction.....	137

	Page.
Salvage from building when obtained during partial reconstruction.....	234
from buildings used temporarily during construction.....	257
from car destroyed in wreck, material account charges for.....	183
from tools used in construction work.....	78
Sashes, storm, on cars, expense for removal of.....	287
Scale in power plant boiler tubes, apparatus for removal of.....	122
School tickets. (<i>See Tickets.</i>)	
Scrap material recovered from pole fixtures and held pending sale.....	249
recovered from property damaged while stolen.....	203
sold, preparation and shipment of.....	138
Scrapers, snow, installation of.....	281
Section foremen in maintenance work, wages of.....	292
Securities set aside in fund to meet cost of new property.....	298
Service equipment, appliances for, definition of.....	293
appurtenant parts of.....	281, 294
disposal of, at close of construction.....	137
investment in, for construction use.....	137
investment in, for use in operations.....	137, 233, 281
maintenance of.....	14, 30, 157, 233
motive equipment for.....	14, 157, 233
(<i>See also Cars, Equipment.</i>)	
Setting up snow fences.....	117
Sewer assessments for public sewers.....	85, 161
connections installed under franchise requirement.....	42
Shop equipment, depreciation of, subaccounts for.....	309
equipment, inclusion of air-compressor conduits in.....	96
equipment, inclusion of creosoting plant in.....	158
equipment, maintenance expense for.....	11, 95, 96
expense apportionable to construction.....	19, 73
expense apportionable to work for outside parties.....	19, 25
expense for oil cans.....	209
expense for renewals of electric-light fixtures and lamps.....	216
expense not distributable to operating accounts.....	73
fire drills, expense incident to.....	268
land, investment in.....	135
land, rent payable for.....	241
power, segregation of costs for.....	7, 21
Shortages of conductors, printing of notices for.....	12
relief granted for.....	160
Shovel, steam, investment in, for use in construction work.....	137
maintenance of.....	14
sale of, at close of construction work.....	137
Shrubs about buildings, expense for.....	212
Sickness, contributions to employees on account of.....	10
Sidewalks, adjustment of, in widening street under franchise requirement.....	42, 84
installation of, in depots and depot grounds.....	134
repaving of, in connection with track realignment.....	261
(<i>See also Crosswalks.</i>)	
Signal apparatus, installation of wiring for.....	94
expense for, on jointly used bridge, apportionment of.....	260
tools used for maintenance of, repairs of.....	51
wages of men engaged in operation of.....	64
Signs forming essential parts of cars, first cost and maintenance of.....	54
hooked on cars for indicating destinations.....	54
indicating car stops, first cost and repairs of.....	276
warning against third-rail.....	230
Sinking fund additions made under contractual requirements.....	312
Sleet cutters and cutter wheels, first cost and maintenance of.....	109
Slips for ferries, maintenance of.....	74
Slot machines for drinking cups, expense for and revenue from.....	335
Smokestack of power plant, repairs of.....	195
Snow fences, installation and repairs of.....	117
fences, setting up and removal of.....	117
plows attached to cars, investment in and repairs of.....	106
scrapers, installation of.....	281
Sockets for electric lamps in buildings, renewals of.....	216

	Case.
Solicitation expense for sale of tickets at stores along line.....	15
Spark plugs for gasoline motor cars.....	182
Special cars furnished for private use, revenue from.....	197
deposits to meet cost of new property investment.....	298
train moved under guaranty of receipts, revenue from.....	263
trips due to increased traffic, revenue from.....	197
Special work, electric line connections for, repairs of.....	52
guard rail investment assignable to.....	72
paving about, investment in.....	134
repairing of, by welding process.....	272
switch targets for, installation and painting of.....	341
Springs, trolley, first cost and repairs of.....	38
Sprinkler car for watering tracks, operation and repairs of.....	30
devices for weed killing, maintenance expense for.....	61
Sprinkling of streets, expense for.....	30, 121
revenue from.....	30
Stable expense, apportionment of, to construction.....	19
apportionment of, to coordinate departments.....	41
permissible distribution of, to operating accounts.....	41
Stamps for prepayment of newspaper rates, revenue from sale of.....	156
State authorities, salaries of employees engaged on reports to.....	80
inspection law, license fees payable under.....	213
taxes, payments of.....	87
Station employees, freight bureau weighmasters classed with, payments toward wages of.....	201
joint station, settlements for wages of.....	332
storekeepers doing work of, wages and commissions of.....	15
substation attendant doing work of, wages of.....	108
time of, aiding train dispatching, pay for.....	187
time of, sprinkling in front of stations, pay for.....	121
Stationery expense for paper dials of carhouse watchmen's clocks.....	206
expense, permissible distribution of, to operating accounts.....	12
used by conductors in car service.....	12
used by engineering department.....	246
used by superintendence clerks.....	12
used for sorting and filing canceled tickets.....	123, 168
used in express and freight business.....	12
<i>(See also Printing.)</i>	
Stations, destruction of, by fire, loss due to.....	240
driveways for freight handling at, repairs of.....	259
electric-light fixtures at, renewals of.....	216
electric-light lamps at, renewals of.....	69, 216
electric-light transformer at, repairs of.....	242
electric-light wiring at, repairs and renewals of.....	69
joint expense for, settlements with other companies for.....	332
land acquired for grounds of, investment in.....	135
land used for, when coincident with right of way, investment in.....	262
sprinkling in front of, expense for.....	121
stores used as, ticket-selling expense in connection with.....	15
street improvements on premises of.....	134
oil cans for use at.....	209
telephone service at.....	68, 149, 167
vending machines installed in, expense for and revenue from.....	335
waiting rooms rented from others for, repairs to.....	44
Statistics for reports to public bodies, pay of employees engaged on.....	80
of car hours, items covered by.....	40
Steam locomotives, maintenance of.....	4, 131
locomotives, operation of.....	4, 131, 215
locomotives, rent payable for, when in construction service.....	131
roller, rent payable for, when in maintenance work.....	274
shovel, disposal of, at close of construction.....	137
shovel, investment in, for construction use.....	137
shovel, maintenance of.....	14
Steam road crossings, guard rails used at.....	72
planks used at.....	62
wages of derailer leverman at.....	64
Stock. <i>(See Capital stock, Securities.)</i>	

	Casa.
Stone crusher at quarry for ballast production.....	178
crusher mounted on car, maintenance of.....	14
filling used in tracks.....	57
Stop signs, installation and repairs of.....	276
Stopping points along line, power for electric lights at.....	140
Storage batteries of motor cars, electrolyte for.....	182
coal pockets for power plant, rent payable for.....	208
land for track material, rent payable for.....	35
machinery for compressed air, maintenance and operation of.....	95
tanks for compressed air, maintenance and operation of.....	11
Store expense apportionable to construction.....	6
apportionable to coordinate departments.....	41
apportionable to work for outside parties.....	19,273
distributable to operating accounts.....	6,41
for collection of scrap material.....	138
for damage suffered by property while stolen.....	203
for salaries of storeroom employees.....	302
Storeroom accounts, salaries of general office clerks engaged on.....	66
buildings, maintenance of.....	302
buildings, rent payable for land partly occupied by.....	241
employees, salaries of.....	302
<i>(See also Supply houses.)</i>	
Stores, rent received from, when occupying carrier's building.....	37
ticket selling at, commissions and wages for.....	15
Storm sashes on cars, removal of.....	257
Streets, alterations of, incident to realinement of track.....	251
footwalks in. <i>(See Crosswalks, Sidewalks.)</i>	
installation of, investment necessitated by.....	85
operation rights on, payments to municipalities for.....	20
parkways of, installation of.....	256
paving of. <i>(See Paving.)</i>	
planking used in, at steam road crossings.....	62
regrading of, by carrier in return for operation rights.....	162
repairs of, wages of extra car-service men necessitated by.....	82
restoration of, after construction work.....	112
sprinkling of, expense for.....	30,121
sprinkling of, revenue from.....	30
widening of, under franchise requirement.....	42,84
Strike, expenses due to and wages of men employed during.....	318
Stringing wires, privilege of. <i>(See Attachments.)</i>	
Structures for support of trolley line, definition of.....	46
in free private park, investment in.....	26
of miscellaneous nature, investment in.....	101,105,152
under construction, premiums for insurance on.....	136
<i>(See also Bridges, Buildings, etc.)</i>	
Stumps on right of way, removal of.....	191
Subaccounts for depreciation of equipment.....	303,309
for distribution system.....	3
for meters used in power and light business.....	159
for motor features of gasoline motor cars.....	182
Sublease of part of building used by carrier, revenue from.....	330
Subsidiary company, investment in advances to.....	340
Substation buildings, tools used in maintenance of.....	51
cars, construction of.....	214,233
employees, wages of, for time acting as station agents.....	106
employees, wages of, for time aiding train dispatching.....	187
employees, wages of, for time engaged on repair work.....	55
equipment installed in power plant building, investment in.....	196
equipment mounted on car, investment in.....	214,233,264
equipment mounted on car, maintenance of.....	233,264
fire fighting expense.....	269
lighting, renewals of lamps and fixtures for.....	216
lightning arresters, expense for.....	329
oil cans, expense for.....	209
transformer oil, investment in and renewals of.....	211
<i>(See also Power station.)</i>	

	Case.
Subways of another company, rent for space in, used for location of transmission line.....	175
of carrier, segregation of lighting system maintenance for.....	116
under elevated tracks, expenditures incident to operation rights in.....	162
Superintendence, electric clock service in connection with.....	129
floating equipment, in connection with maintenance.....	290
printing and stationery used in connection with.....	12
rooms used for purposes of, rent payable for.....	239
salaries of car-service agent and clerks assignable to.....	305
salaries of engineers assignable to.....	16,80
wages of inspectors engaged in.....	304
wages of station men excluded from, when aiding in dispatching.....	187
Superintendents, automobiles used by, expense for.....	151
Supervision. (<i>See Superintendence.</i>)	
Supplies for general offices, apportionment of, to coordinate departments.....	28
for operation of creosoting plant.....	158
for operation of equipment used in construction.....	131
used by carrier, charges improper for carrier's transportation of.....	143
(<i>See also references to specific items.</i>)	
Supply houses used temporarily during construction, expense for.....	257
Surplus appropriated in lieu of dividends and interest payable into sinking funds.....	312
Suspense account for equalization of primary expense accounts.....	307
for sales of passenger transportation.....	49,50
Switch fixtures for lights in buildings, renewals of.....	216
Switches, electric line connections with, repairs of.....	32
guard rails used with.....	72
keys for locks of.....	326
land for location of, rent payable for.....	33
lights for, installation of electric wiring for.....	94
targets for, installation and painting of.....	341
Switching service, demurrage in connection with.....	254
expense for operation of.....	215,339
revenue from.....	339

T.

Tanks, air-storage, machinery for, maintenance and operation of.....	95
air-storage, maintenance and operation of.....	11
fuel-oil, for ferry operations, maintenance of.....	74
Targets for switches, installation and painting of.....	341
Tariffs, printing of.....	56
Taxes, exclusion of, from general expense.....	17
franchise, levied on operating revenues.....	67,87
interest upon, when taxes are payable in installments.....	267
license, based upon carrier's operations.....	67,87
paving assessments excluded from.....	2
payments of, for operation rights in city limits.....	20,67
payments of, for operation rights on Government property.....	24,81
payments of, for operation rights on public bridge.....	163,299
payments of, upon property used in light business.....	28
proceeds from, received by carrier under public grant.....	91
State, based on capital stock.....	87
(<i>See also Assessments.</i>)	
Teaming. (<i>See Cartage, Hauling.</i>)	
Tearing up paving when necessitated by track repairs.....	174
Telegraph companies, attachments by, to poles of carrier, revenue from.....	34
fire alarm service furnished by, expense for.....	342
poles of, attachments by carrier to.....	34
Telephone batteries, expense for.....	167
booths located along line for dispatching purposes.....	253
companies, attachments by, to poles of carrier, revenue from.....	34
companies' poles, attachments by carrier to.....	34
interior systems in general offices, investment in and rent for.....	337
lines for use in carrier's car operations, rent payable for.....	68
service at stations and in offices.....	68,149
service for claims department using general office space.....	235
Temporary buildings for use during construction, expense for.....	257
track for use during public work in street, expense for.....	88

	Case
Terminal grounds, land for, investment in	135
houses for change between overhead and underground line	107
switching, wages of employees engaged in	215
Theft of conductors' remittances, loss by	103
of storehouse material, loss by	203
Third-rail, signs for warning against	230
Tickets, filing of, when canceled, envelopes and bags for	123
redemption of, suspense account debits for	49
revenue from, when invalid after current month	278
selling of, at stores along line, commissions and wages for	15
sorting of, by conductors, rubber bands used in	163
unredeemed, of previous years, cancellation of balance for	321
unredeemed, revenue credits for, when written off	288, 321
<i>(See also Mileage books.)</i>	
Tidal damage to roadway, retaining wall for protection against	35
Ties, creosoting plant expense apportionable to	158
equalization of expense for	192
exclusion of, from structural accounts	115
foundation for, of concrete, investment in	221
plugs for filling split holes in	63
purchase of, in advance of use	192
<i>(See also Track.)</i>	
Tiling for draining roadbed, installation and maintenance of	291
Time. <i>(See Car hours, Disability, Idle time, Overtime.)</i>	
Time-table advertising, receipts from	237
Timekeepers' offices used temporarily during construction, expenditure for	257
Titles of real property, examination of, in connection with bond validity	86
Toll charges for telephone service, payments of	68, 149
Tongs, rail, purchased for construction use	76
Tool houses used temporarily during construction, expense for	257
Tools for application to service equipment, installation and maintenance of	294
for carpenters and painters engaged in maintenance work	334
for construction work, cost charges and salvage credits for	76
for general purposes, maintenance of	51
for maintenance work, repairs and renewals of	51
for power plants, installation of	237
for removal of trees and bushes near right of way	319
for removal of weeds from track and roadway	61
for track work, inclusion of rail grinders and bonding apparatus in	277
Tower wagons, apportionment of expense for	13
Tracing cloth for engineering department	246
Track cleaning by removal of weeds, expense for	61
construction, hauling of material in connection with	114, 193
construction, paving incident to	2, 134
construction, rent and operation of equipment used in	93
construction, temporary, necessitated by public sewer work	98
cranes, power purchased partly for operation of	165
filling, maintenance expense for	57
foremen in maintenance work, wages of	292
foundations, investment in	221
foundations, investment in, when at pit in carhouse or yard	152
investment for service of water-power stations	229
leased to another company for exclusive use, income from	142
maintenance for temporary connections during reconstruction work	224
maintenance on public bridge used by carrier	299
material, rent of land for storage of	36
realignment, street alterations incident to	261
regrading under municipal requirement	320
relocation temporarily during reconstruction work	224
relocation under State requirement	264
renewals, wages of extra car-service men during	248
repairs coincident with paving work	251
repairs, paving work incident to	174
repairs, payments to city in connection with	146
riveting machines, investment in and maintenance of	233
space in highway, curbing for separation of	336
space on private property, rent payable for	20

	Case.
Track space on public bridge, payments for	299
welding, expense for.....	51, 270, 271, 272
<i>(See also Ballast, Rails, Ties.)</i>	
Trackage used by another carrier, rent receivable from.....	148
Traffic associations, general manager's expense for attendance at.....	179
Trainmen, burial expenses of, when killed by ejected passenger.....	118
compensation of, paid to carrier by express companies.....	331
deposits by, unclaimed at leaving service.....	244
uniforms for, furnished in recognition of good service.....	345
wages of, when acting as pilots on cars.....	147, 148
wages of, when engaged in auxiliary operations.....	245
wages of, when engaged in maintenance work.....	344
wages of, when operating steam locomotives.....	215
<i>(See also Conductors, Motormen.)</i>	
Transfer of mail from car to post-office under mail contract.....	58
Transfers, redemption of, in interline settlements.....	205
Transformers at power plants, rent payable for, for emergency use.....	283
at power stations, oil for, investment in and renewals of.....	211
at stations for electric lighting, repairs of.....	242
Transmission parts of gasoline motor cars, repairs of.....	182
Transmission system, attachments of, to poles of other companies.....	34
investment in, when used for light business.....	198
lightning arresters for.....	329
location of, on property of others, expense for.....	20, 175
terminal house for, installation and repairs of.....	107
tools used in maintenance of, repairs and renewals of.....	51
<i>(See also Electric line.)</i>	
Transportation by auto truck, revenue from.....	317
by cars. <i>(See Express, Freight, Mail, Passenger.)</i>	
of employees, impropriety of charges for.....	232
Trees on right of way, removal of	191
standing close to right of way, cutting of.....	319
Trestle, investment in, for use with coal pocket.....	101
replacement of, after destruction by fire.....	252
structural parts peculiar to, classification of.....	115
Trial of person for killing trainman, expense incident to.....	118
Trip sheets for conductors, printing of.....	12
Trolley brackets, classification of.....	46
brackets, scrap obtained from renewals of.....	249
catchers, installation and maintenance of.....	210
contacts for electric switch connections, repair of	32
parts for cars, first cost and repairs of.....	38
retrievers, installation and maintenance of.....	210
Truck, auto, for repair and transportation service, investment in and revenue from.....	317
Trucks of cars, inclusion of, in car structure.....	5, 38, 233
Trustees, commissions and fees of, for paying out bond interest.....	77
Tubes and tube caps of boilers, apparatus for cleaning of.....	122, 130
Turbines at power plants, carbon rings for.....	237
Turn-outs, guard rails used with.....	72

U.

Unclaimed deposits of trainmen at leaving service.....	244
Undergrade crossings, construction items assignable to.....	202
Underground conduits, excavation costs for.....	226
construction, excavation costs for.....	226
construction, inclusion of pit structure in	152
construction, labor for installation of.....	113
system, pit for change from, classification of.....	152
system, terminal house for change from, installation and repairs of	107
Unfunded debt, classification of unpaid paving installments in.....	267
Uniforms for trainmen provided in recognition of good service.....	345
Unloading of cinders from power plant when applied to maintenance.....	289
of cinders used in filling grounds of buildings.....	166
of coal at carhouses when for use in car stoves.....	180
of coal at power plants.....	181
of rails at point of use for construction.....	193
Unredeemed ticket balances, credits for writing off.....	286, 321

V.

Case.

Varnishing of cars, maintenance expense for.....	287
Vehicles. (<i>See Auto trucks, Automobiles, Wagons.</i>)	
Velocipedes, installation and maintenance of.....	173
Vending machines for drinking cups, expense for and revenue from.....	335
Viaduct of another company, payment for operation rights on.....	327

W.

Wages of bridge tenders on bridge used under lease or franchise.....	70
of car-service extra men necessitated by temporary conditions.....	82, 248
of carhouse employees for time unloading coal.....	190
of draftsmen in maintenance work when aiding other than maintenance.....	343
of employees assigned to work for outside parties.....	59, 147
of employees for time engaged in fire drills.....	268
of employees for time incidentally reading meters for power sold.....	243
of employees for time lost by disability.....	10, 52, 110, 111
of employees operating motor cars.....	4
of employees operating steam locomotives.....	4, 215
of employees taking place of striking employees.....	318
of employees when reimbursed by outside parties benefited.....	25, 148, 331, 332
of flagmen temporarily placed where track renewals are in progress.....	248
of garage men in charge of automobiles.....	151
of general officer janitor aiding transportation service.....	109
of inspectors of equipment and of car service.....	304
of levermen on derailleurs at steam road crossings.....	64
of persons selling tickets at stores along line.....	15
of pilots directing operation of cars.....	147
of power plant employees for time unloading coal.....	181
of power station employees for time engaged on repair work.....	55
of station agents aiding in train dispatching.....	187
of station employees at joint stations.....	332
of substation employees aiding transportation service.....	108, 187
of track and section foremen in maintenance work.....	292
of trainmen aiding work of another company.....	148, 331
of trainmen assigned to nonrevenue service.....	306
of trainmen engaged in auxiliary operations.....	245
of trainmen operating maintenance work trains.....	344
(<i>See also Labor, Salaries.</i>)	
Wagon expense apportionable between construction and maintenance.....	18
roads for power stations and water-supply systems.....	229
Walks. (<i>See Crosswalks, Footwalks, Sidewalks.</i>)	
Wall, construction of, for protecting roadway against tides.....	35
reconstruction of, during extension of building.....	234
Warning signs in connection with third-rail.....	230
Washers, trolley, repairs and first cost of.....	38
Washing of cars, car-service expense for.....	287
Waste for automobiles used by officers and linemen.....	151
for steam motor and gasoline motor cars.....	4
Watchmen at carhouses, portable clocks and dial supplies for.....	206
Water damage by floods, reserve to meet deferred repairs of.....	139
damage by tides, wall to protect roadway against, construction of.....	35
department, stable and store expense apportionable to.....	41
expense for steam motor and gasoline motor cars.....	4
Water-supply connection at car barn for fire protection, installation of.....	346
system for power station condensers.....	90, 325
system, investment in water rights for.....	228
Waterways, ditches of, construction of.....	119
dredging of, for drainage purposes, assessments for.....	207
Weeds on track and right of way, tools and material for removal of.....	61
Weighmasters of freight bureau, payments toward salaries of.....	201
Welding crucibles used in maintenance work, expense for.....	51
of rail joints, maintenance and construction costs for.....	238, 270
of worn rails, expense for.....	271
of worn special work, expense for.....	272
Well for supplying water to power plant condensers, investment in.....	325
Wharf, ferry, maintenance of slips and fuel-oil tanks at.....	74
Wheelbarrows purchased for construction work.....	76

	Case.
Wheels, sleet cutter, first cost and maintenance of.....	169
trolley, first cost and repairs of.....	38
Wires, attachments of, to bridges, tax payments for.....	24, 163
attachments of, to poles, expense for and revenue from.....	34
cutting of, to permit moving of buildings through streets.....	73
trolley, bracket, supports of, classification of.....	46, 97
trolley, contacts installed in, repair of.....	32
<i>(See also Electric line, Wiring.)</i>	
Wiring for electric devices forming parts of cars, classification of.....	5, 38
for electric lights at station, repairs and renewals of.....	69
for electric lights at switch, installation of.....	94
for electric motive equipment of cars, classification of.....	5, 38
for electric track switch, repairs of.....	32
for motive features of gasoline motor cars, repairs and renewals of.....	182
<i>(See also Wires.)</i>	
Witness fees at coroner's inquest.....	164
Wood-preserving plant, installation and maintenance of.....	158
Work cars. <i>(See Car service, Cars.)</i>	
trains, operation of, for maintenance.....	344
Wreck of car, salvage and loss from.....	183
Wrenches, hydrant, purchased for construction use.....	76

Y.

Y-track, land for location of, rent for.....	33
Yard, classification of pit located in.....	152



Accounting Bulletin No. 10

INTERPRETATIONS
OF
ACCOUNTING CLASSIFICATIONS
PRESCRIBED BY THE
INTERSTATE COMMERCE COMMISSION
FOR
STEAM ROADS
IN ACCORDANCE WITH SECTION 20 OF THE
ACT TO REGULATE COMMERCE

Effective on July 1, 1915

(Supersedes Accounting Bulletin No. 8)

THE INTERSTATE COMMERCE COMMISSION.

CHARLES C. McCHORD, *of Kentucky.*

JUDSON C. CLEMENTS, *of Georgia.*

EDGAR E. CLARK, *of Iowa.*

JAMES S. HARLAN, *of Illinois.*

BALTHASAR H. MEYER, *of Wisconsin.*

HENRY C. HALL, *of Colorado.*

WINTHROP M. DANIELS, *of New Jersey.*

GEORGE B. MCGINTY, *Secretary.*

ORDER.

At a General Session of the INTERSTATE COMMERCE COMMISSION, held at its office in Washington, D. C., on the 24th day of July, A. D. 1915.

The subject of a Uniform System of Accounts to be prescribed for and kept by carriers being under consideration, the following order was entered:

It is ordered, That the interpretations of the accounting classifications for steam roads, prepared under the direction of this Commission and embodied in printed form to be hereafter known as Accounting Bulletin No. 10, a copy of which is now before this Commission, be, and the same is hereby, approved; that a copy thereof duly authenticated by the Secretary of the Commission be filed in its archives, and a second copy thereof, in like manner authenticated, in the office of the Division of Carriers' Accounts; and that each of said copies so authenticated and filed shall be deemed an original record thereof.

It is further ordered, That the accounting methods directed in the interpretations contained in the said Accounting Bulletin No. 10 be, and they are hereby, prescribed for the use of steam roads subject to the provisions of the Act to Regulate Commerce, as amended, in the keeping and recording of their accounts.

It is further ordered, That July 1, 1915, be, and it is hereby, fixed as the date on which the said Accounting Bulletin No. 10 shall become effective.

By the Commission.

[SEAL.]

GEORGE B. MCGINTY,
Secretary.

**INTERSTATE COMMERCE COMMISSION,
DIVISION OF CARRIERS' ACCOUNTS,
Washington, July 24, 1915.**

TO ACCOUNTING OFFICERS OF STEAM RAILWAYS:

This accounting bulletin, which contains interpretations of the accounting classifications in connection with various questions, supersedes Accounting Bulletin No. 8, which became effective July 1, 1912. Its preparation and issue became necessary on account of the issuance of the revised accounting classifications which became effective July 1, 1914.

In tentative form, this bulletin was submitted to the railroad commissions of the several States and to the Association of American Railway Accounting Officers. All suggestions received from such parties have been given careful consideration and many of them have been incorporated in this bulletin.

In many instances the questions are in substantially the same form as printed in Accounting Bulletin No. 8 or Accounting Series Circular No. 12e, only the necessary modifications to meet the effective accounting rules having been made. A number of the cases, however, contain questions which have arisen since the present classifications became effective.

**FRED W. SWENEY,
*Chief Examiner of Accounts.***

INTERSTATE COMMERCE COMMISSION ACCOUNTING BULLETIN NO. 10.

INTERPRETATIONS OF ACCOUNTING CLASSIFICATIONS—STEAM ROADS.

CASE 1.

Query. Is it essential that books be written up monthly?

Answer. Accounts shall be written up monthly.

CASE 2.

Query. In adjusting material accounts to the basis of inventory, what account or accounts shall be credited or debited?

Answer. Determined differences in accounting for important classes of material are ordinarily assignable to discrepancies in charges to particular accounts since the last inventory and shall be adjusted accordingly. Other differences shall be apportioned among the primary expense accounts on the basis of the material charges to them since the last inventory. (See Case 74.)

CASE 3.

Query. Road A grants separately to Road B and Road C the right to operate over its tracks which it maintains but over which it does not itself operate. The lessees each pay a proportion of a fixed rent, and reimburse Road A proportionately for taxes on and maintenance of the leased tracks. What is the proper accounting for these items by the carriers interested?

Answer. Road A shall charge the taxes to account No. 532, "Railway tax accruals." The amounts payable by Roads B and C representing rent and taxes shall be credited by Road A to account No. 508, "Joint facility rent income," and shall be charged by Roads B and C to account No. 541, "Joint facility rents." The amounts payable by Roads B and C representing the cost of maintenance shall be accounted for in the appropriate joint facility accounts in Operating Expenses. (See Case 28.)

CASE 4.

Query. To what account shall be charged damages for overflows caused by inadequate waterways?

Answer. To appropriate accounts in Maintenance of Way and Structures when the property damaged is the carrier's own; to account No. 416, "Damage to property," when it is the property of others and not held by the carrier under lease. If, however, the damage is directly connected with projects the cost of which is chargeable to road and equipment accounts, the amount of the damage shall be included in the cost of the work.

CASE 5.

Query. What is the proper accounting for the proportions of pay and expenses of joint car inspectors which carriers pay to foreign roads?

Answer. They shall be charged to the appropriate equipment repair accounts. They are not joint facility items.

CASE 6.

Query. The text of the clearing account "Material store expenses" provides that the account shall be closed out at the end of the year. Shall not a balance representing cost of handling material in stock at the end of the year be carried over to the next year?

Answer. Such balance shall not be carried over to the next year.

CASE 7.

Query. To what account shall be charged expenses of hauling loads from mines to points of concentration and distributing empties to mines?

Answer. If the mines are located within the switching limits of the concentration station, such expenses shall be charged to the appropriate yard-service accounts. If not so located, and the freight is billed from the mines, the entire service shall be classed as train service.

The expenses and the statistics of locomotive-miles, car-miles, train-miles, ton-miles, etc., shall be treated accordingly. (See Case 97.)

CASE 8.

Query. To what account shall be charged the wages of motormen and the expenses of operating gasoline motor cars used in revenue train service?

Answer. Wages of motormen are provided for in account No. 393, "Train motormen." The expense for gasoline and other fuel, lubricants, and other supplies, including enginehouse expenses, if any, shall be charged to account No. 402, "Train supplies and expenses." The carrier's records shall be kept in such manner as to show separately the cost of gasoline or other fuel consumed in the operation of such cars.

CASE 9.

Query. Road A turns Road B's locomotive. A charges B for turning the locomotive and for use of the tracks. What is the correct accounting by both roads?

Answer. If the use of the facilities is not in connection with the joint use regularly of other facilities, the compensation for turning the locomotive and for use of the tracks shall be credited by A to revenue account No. 143, "Miscellaneous," and charged by B to expense account No. 402, "Train supplies and expenses." If, however, the use of these facilities is under a joint facility arrangement, the accounting by each road shall be in accordance with the rules prescribed for joint facility accounts.

CASE 10.

Query. When the president of a carrier company is directly in charge of the operating departments, how shall the salaries and expenses of that officer and his clerks be distributed?

Answer. If the president is immediately in charge of the departments usually supervised by officers named in the accounts "Superintendence" under Maintenance of Way and Structures, Maintenance of Equipment, Traffic, and Transportation, his salary and expenses and those of his clerks and assistants shall be apportioned in accordance with Note A under expense account No. 451, "Salaries and expenses of general officers." If the president has, as is usual, only general supervision over the various departments, his salary and expenses shall be charged to expense account No. 451, "Salaries and expenses of general officers."

CASE 11.

Query. Road B is required, under agreement with Road A, to provide equipment to replace that destroyed or sold, or to pay an equivalent in cash to Road A. Is it per-

missible for B to keep a dismantled-equipment account wherein to show the exact amount due A because of dismantled and sold equipment?

Answer. Such an account may be kept. The credit balance in such account shall be included in balance-sheet account No. 778, "Other unadjusted credits."

CASE 12.

Query. In what account shall be included the cost of coal, wood, and oil for use in firing up locomotives for service?

Answer. In the appropriate account "Fuel for locomotives."

CASE 13.

Query. To what account shall a carrier credit amounts received for the privilege of placing a telephone line over its tracks? The right is reserved to revoke the privilege at pleasure.

Answer. The privilege given is merely a license, and the receipts therefrom shall be credited to income account No. 519, "Miscellaneous income."

CASE 14.

Query. To what accounts shall be credited amounts charged to other roads for transferring the lading of cars? These transfers are made necessary through fault of the other roads, and the charges include the cost of transferring the lading, per diem or car hire accruing upon the cars, and a charge per car for switching.

Answer. The portions of such charges covering per diem or car hire accruing on cars at the time of transfer shall be credited to the account "Hire of freight cars." The portions of the charges covering the cost of transferring the contents of cars shall be credited to the account to which the cost of the transfer service is charged. The charges per car for switching such cars shall be credited to revenue account No. 110, "Switching."

CASE 15.

Query. A railroad operates some of its station restaurants and leases others at a nominal rent, the lessee receiving all revenues and paying all expenses except as to coal and ice, which are furnished without charge by the railroad. To what account shall the railroad charge the cost of the coal and the ice thus furnished for use in the leased restaurants?

Answer. Such cost shall be charged to operating expense account No. 376, "Station supplies and expenses."

CASE 16.

Query. A railroad purchased a building, apart from its right of way, for use as a dwelling by a superintendent, taking the title thereto in the name of a vice president, who filed with the railroad a declaration of trust. How shall this expenditure be classified?

Answer. Such expenditure shall be included in balance-sheet account No. 705, "Miscellaneous physical property."

CASE 17.

Query. What accounts shall be charged with the loss on obsolete material which is taken out of stock and sold as scrap?

Answer. Such loss shall be charged to the operating expense accounts to which the material ordinarily would be charged if issued for use.

CASE 18.

Query. Road A and Road B operate their trains over a portion of A's tracks. A charges B rent based on the valuation of the property. B maintains and operates these tracks and is reimbursed by A for a portion of the expenses, reckoned upon a wheelage basis. What is the correct accounting?

Answer. Both roads shall include the rent in joint facility rent accounts in Income. The cost of maintenance and operation shall be included in B's primary accounts; the proportion of such cost paid by A shall be included by both roads in the appropriate joint facility expense accounts. (See Case 28.)

CASE 19.

Query. To what account shall be charged expenses and settlement payments on account of injuries to a prospective passenger caused by a maintenance-of-way work train?

Answer. The class of train causing the injury determines the distribution of the charge. Therefore such expenses and settlements shall be charged to maintenance expense account No. 274, "Injuries to persons." (See Case 119.)

CASE 20.

Query. Road A makes all repairs to Road B's equipment and charges B the actual cost thereof. For the purpose of determining accurately the cost of these repairs is it permissible that the operations of A's shops be treated through a clearing account?

Answer. It is.

CASE 21.

Query. How shall a carrier dispose of amounts allowed for loyal service of certain employees during a strike?

Answer. Such allowances shall be distributed to the accounts to which the pay of the employees is chargeable.

CASE 22.

Query. In what accounts shall be included the pay and expenses of—

(a) An auditor who acts as general bookkeeper?

(b) A general superintendent who is immediately responsible for the whole local management of the road?

(c) A general agent who acts as clerk to the general superintendent and as local agent at the only station where there is an agent?

Answer. Such expenses shall be included as follows:

(a) Expense account No. 451, "Salaries and expenses of general officers."

(b) Shall be apportioned as directed in Note A under account No. 371, "Superintendence."

(c) The proportion covering services as clerk shall be apportioned in accordance with Note A under account No. 371, "Superintendence," and the remainder shall be included in account No. 373, "Station employees."

CASE 23.

Query. The tracks, station buildings, and other facilities between X and Y, owned by Road A, are used jointly by A and Road B. For the use of these facilities B pays A a specified rent upon a valuation basis, proportion of cost of maintenance upon a wheelage basis, and agreed proportion of the cost of station service (principally train telegraph service).

B's trains handle A's local freight and passenger business between these points in consideration of a stipulated percentage of revenue. What is the correct accounting by each railroad?

Answer. The specified rent shall be included in the joint facility rent accounts in Income. Proportion of cost of maintenance and operation shall be included in the appropriate joint facility operating expense accounts.

The proportion of the cost of maintaining and operating these tracks being provided for in a distinct arrangement, the percentage of revenue upon the local business retained by A shall be considered as additional rent and included by each carrier in the appropriate joint facility accounts in Income.

Road B shall include in its revenues the entire receipts from the local freight and passenger traffic between X and Y which is transported upon its trains and shall account for such traffic in its statistics.

CASE 24.

Query. How shall the revenues be classified when a carrier furnishes picnic trains at rates based on the number of cars in the trains, regardless of the number of people carried?

Answer. They shall be included in account No. 111, "Special service train."

CASE 25.

Query. To what account shall be credited the slight profits accruing from percentages added to bills against other companies and individuals to cover superintendence, use of tools, etc.?

Answer. Such profits shall be credited to Operating Expenses. (See Cases 61 and 79.)

CASE 26.

Query. Shall per diem reclaims be treated as a matter of hire of equipment?

Answer. They shall be so treated. (See Case 29.)

CASE 27.

Query. To what account shall be credited the amounts received upon the basis of a rate per car for switching express cars from one railroad to another as a part of a regular transportation movement?

Answer. Amounts received for such services shall be credited to revenue account No. 110, "Switching."

CASE 28.

Query. Road B has trackage rights over the line of Road A between two points, the consideration for these rights being based on a toll per loaded car. How shall the payments for these trackage rights be accounted for when A maintains the tracks between the two points?

Answer. Road A shall charge the expenses of maintenance, operation, etc., to its primary operating expense accounts. The charges against B shall be fairly apportioned by A among the joint facility operating expense and income accounts. The amount apportioned to maintenance shall be credited by A to account No. 279, "Maintaining joint tracks, yards, and other facilities—Cr."; that to operation, to account No. 391, "Operating joint yards and terminals—Cr.", or to account No. 413, "Operating joint tracks and facilities—Cr.", according to location of facilities; and that to income for interest on valuation or rent, to account No. 508, "Joint facility rent income." Road B shall charge the corresponding joint facility operating expense and income accounts.

In case considerable general expenses are involved in operations of the joint facilities, amounts shall be apportioned to cover such general expenses, which amounts shall be included in accounts "General joint facilities."

CASE 29.

Query. How shall per diem charges paid and reclaims received be accounted for by a switching railroad whose cars seldom leave its own line?

Answer. The per diem shall be charged and the reclaims shall be credited to income account "Hire of freight cars." (See Case 26.).

CASE 30.

Query. A railroad company sends out a locomotive and crew to pick up lumber lost off a freight train belonging to another company. To what account shall the wages of the crew and the compensation for the use of the locomotive be charged, and to what accounts credited?

Answer. The wages of the crew and expenses of the locomotive shall be charged by the company responsible for the loss of the lumber to expense account No. 418, "Loss and damage—Freight," and the creditor shall credit these items to the accounts to which they were originally charged. If a charge is made for rent of the locomotive, the amount thereof shall be included by both companies in the appropriate locomotive rent account in Income.

CASE 31.

Query. Road A pays all the expenses of a train service operated from an intermediate point on its lines to an intermediate point on Road B's line and charges B upon basis of train mileage the cost of the service while upon B's tracks. Each road receives the revenue accruing upon its own line. What is the proper accounting for the expense of the service?

Answer. The expenses shall be included by each railroad in the primary expense accounts other than joint facility accounts. This is not a joint facility. If any portion of the charge for the train service is for hire of equipment, the amount thereof shall be included in the appropriate equipment rent accounts in Income.

CASE 32.

Query. It is provided in account No. 418, "Loss and damage—Freight," that interest and penalties assessed for nonpayment of freight claims shall be included in this account. Is this provision intended to include interest and penalties on overcharge claims?

Answer. Interest and penalties on loss and damage claims shall be included in account No. 418, "Loss and damage—Freight." Interest on overcharge claims shall be included in account No. 547, "Interest on unfunded debt." Penalties on overcharge claims shall be included in account No. 460, "Other expenses."

CASE 33.

Query. In what account shall be included the rents paid by one carrier to another carrier for the exclusive use of yards and tracks—

(a) When upon the basis of a specified amount per month?

(b) When upon the basis of the number of cars handled over such tracks?

All expenses of maintenance are paid by the lessee. The taxes are paid by the lessor.

Answer. The rents, under either of the conditions stated, shall be included in the lease-of-road accounts in Income.

CASE 34.

Query. A company keeps a separate or independent fund from which pensions are disbursed. A certain amount per month, making an annual total 12 times as great, is appropriated through the Income Account and credited directly to an open account, which is closed annually when the amount is paid over. The pension fund is invested in interest-bearing securities. Whenever pensions are paid the amounts are debited to an open account and about every quarter collected from the trustee of the fund. There are no administration or other expenses in connection therewith. What is the proper accounting?

Answer. Amounts thus appropriated shall be charged to account No. 552, "Income applied to sinking and other reserve funds," and shall be concurrently credited to account No. 782, "Miscellaneous fund reserves." When such funds have been paid into the hands of trustees, the amount thereof shall be charged to balance-sheet account No. 721, "Insurance and other funds." The amount of pensions accrued shall be charged to account No. 457, "Pensions," and when paid shall be credited to account No. 721, "Insurance and other funds." Concurrently account No. 782, "Miscellaneous fund reserves," shall be charged, and Profit and Loss credited with an equal amount.

CASE 35.

Query. To what account shall be credited the difference between the value of special-admission amusement coupons issued in connection with transportation and the amount paid on the basis of actual collection?

Answer. The difference shall be credited to revenue account No. 143, "Miscellaneous."

CASE 36.

Query. To what account shall be charged the expense of removal of brasses from cars to prevent the loss of the brasses by theft when the cars are stored in hazardous locations?

Answer. Such expense shall be charged to the appropriate car repair account.

CASE 37.

Query. To what account shall be charged the amount of a judgment, including court costs, in an action of the United States against a carrier on account of defective appliances on cars?

Answer. It shall be charged to profit and loss account No. 621, "Miscellaneous debits." (See Cases 38 and 90.)

CASE 38.

Query. What account shall be charged with United States Government fines imposed by the collector of customs for the delivery of freight in bond directly to the consignee, instead of to the collector of the port, the offense being due to the failure of the delivery clerk at a freight yard to notify the customhouse inspector at the point of delivery?

Answer. They shall be charged to profit and loss account No. 621, "Miscellaneous debits." (See Cases 37 and 90.)

CASE 39.

Query. To what account shall be charged premiums paid to procure currency needed to pay the wages of employees?

Answer. They shall be charged to expense account No. 460, "Other expenses."

CASE 40.

Query. Two box cars which were carried in the carrier's account at the salvage value only are condemned, the bodies taken for use as bunk houses for track laborers, and the trucks put into service for wrecking purposes. What is the correct accounting?

Answer. Assuming that the equipment had been regularly written down to the amount of the salvage value, this amount shall be credited to road and equipment account No. 53, "Freight-train cars"; the proportion of this value represented by the salvage contained in the bodies of the cars, together with the cost of fitting up bodies as bunk houses, shall be charged to road and equipment account No. 17, "Roadway buildings." If the houses are used by laborers engaged in construction work, their cost shall be included in the accounts in which also is included the labor of the men who use them, and when such work is completed the accounts thus charged shall be credited with the depreciated value of the bunk houses.

The value of the salvage in the trucks shall be charged to the appropriate material account.

CASE 41.

Query. Road A has a drawbridge over a bayou, for the operation of which it employs bridgemen, the expense being prorated among four railroads. How shall amounts received by A be credited?

Answer. If the bridge is in a yard, credit expense account No. 391, "Operating joint yards and terminals—Cr."; if on road, credit expense account No. 413, "Operating joint tracks and facilities—Cr."

CASE 42.

Query. A carrier has an arrangement with other carriers whereby, for trackage rights within a certain district on its line, it receives as compensation a fixed allowance per car. This allowance is apportioned to joint maintenance, operating, and income accounts, the division being based upon estimates and available statistics for previous years.

What account shall be credited for an amount billed against one of these tenants for an accident damaging the carrier's tracks and some of the equipment of other carriers resting upon those tracks, and also an amount paid to one of the carrier's employees in settlement of a personal injury claim occasioned by such accident, the understanding being that the railroad causing the accident shall pay the expenses incident thereto, in addition to the amount it pays for trackage?

Answer. The carrier incurring the expenses, which under the contract belong solely to another carrier, shall, so far as practicable, charge the amounts of such expenses directly to account No. 715, "Miscellaneous accounts receivable," and credit pay roll, voucher, or material accounts, as the case may be.

The carrier responsible shall charge the expenses to its primary operating expense accounts other than joint facility accounts. (See Cases 65, 66, and 132.)

CASE 43.

Query. To what accounts shall interest paid on material bills be charged and cash and trade discounts be credited?

Answer. Interest shall be included in Income. All discount realized on bills for material purchased shall be credited to the account to which is charged the original invoice.

CASE 44.

Query. Amounts paid by Road A for hire of equipment used in joint-yard operations are prorated among three tenant lines upon basis of number of cars handled for each. How shall the payments and receipts be included in A's accounts?

Answer. They shall be included in the appropriate equipment rent accounts in Income.

CASE 45.

Query. Road A distributes the amount charged Road B upon a lump-sum basis for the joint use by B of A's terminal, as follows:

	Per cent.
"Maintaining joint tracks, yards, and other facilities—Cr."	10
"Operating joint yards and terminals—Cr."	25
"Joint facility rent income"	65

Is it proper to apportion any part of such charges to rent?

Answer. If A owns the property operated jointly, the amount in excess of the proportionate expense of maintenance and operation shall be included by each railroad in the joint facility rent accounts in Income.

CASE 46.

Query. Road B uses Road A's tracks between two points, paying therefor a rent based upon valuation and also a proportion of maintenance and operating expenses based upon wheelage.

- (a) A pays B a per cent of the value of A's tickets honored on B's trains.
- (b) B pays A a per cent of cash fares on B's trains between the two points.
- (c) B pays A full local rate on tickets sold by B honored on A's trains.

How shall each road take the above items into its accounts?

Answer. The accounting shall be as follows:

(a) B shall credit full value of tickets to revenue account No. 102, "Passenger." The amount of this revenue less the amount paid by A to B shall be charged by B to income account No. 541, "Joint facility rents," and shall be credited by A to income account No. 508, "Joint facility rent income."

(b) B shall charge amount paid and A shall credit amount received to joint facility rent account in Income.

(c) A shall credit and B shall charge the full value of the tickets to revenue account No. 102, "Passenger."

CASE 47.

Query. To what account shall be credited the amount received by a carrier for the surrender of an unexpired lease for offices occupied by it?

Answer. It shall be credited to profit and loss account No. 607, "Miscellaneous credits."

CASE 48.

Query. Owing to certain freight yards of a carrier becoming congested it is found necessary to deliver cars at another point temporarily. The delivery involves special movements a distance of 1 to 3 miles. Shall the movements be included with freight-train miles or considered switching or yard movements of which no wheelage report would be made other than for the locomotive?

Answer. Mileage shall be considered merely as of switching or yard movements.

CASE 49.

Query. A lumber company's log train uses a carrier's line between its logging camp and mill. The equipment is owned by the lumber company and is operated by its employees, although, while on the carrier's line, the trains are under orders of the carrier's dispatcher. The carrier is compensated on a mileage basis. Shall this mileage be included in the carrier's statistics?

Answer. It shall not be so included.

CASE 50.

Query. May the distribution of the cost of fuel, stores, and other supplies for yard locomotives and for work-train service, be made upon the basis of the mileage of yard and work locomotives for the month preceding that in which the expense is incurred?

Answer. The distribution of each month's operating expenses shall be based upon the operation for that month.

CASE 51.

Query. On account of Road A owning no equipment, Road B supplies the necessary equipment and maintains and operates A's road. B charges A the cost of maintenance and operation, with exception of the maintenance of equipment and the cost of engine and train service. B receives all revenues and pays A agreed proportions of the revenues upon through traffic only. What is the correct accounting?

Answer. All revenue and expenses incident to the operation of A's road shall be included in B's accounts. All mileage statistics, including passenger, ton, train, car, locomotive, etc., shall be included in B's records and reports. The difference between the proportion of the revenue due to A and the proportion of operating expenses payable by A to B constitutes A's compensation for the use of its road and shall be charged by B to income account No. 542, "Rent for leased roads."

In case the result is a loss to A, the amount of the deficit shall be credited by B to account No. 542, "Rent for leased roads," and charged by A to account No. 509, "Income from lease of road." B shall include the cost of maintenance and operation in its primary operating expense accounts.

CASE 52.

Query. Road A operates its yard for the joint benefit of its own service and that of Road B. In an enginehouse at this point A's train locomotives, B's train locomotives, and the locomotives used in operating the joint yard are prepared. What is the correct accounting for the expense of preparing these locomotives in this enginehouse?

Answer. The expense of preparing the joint-yard locomotives shall be included by A in account No. 388, "Enginehouse expenses—Yard," and the amount of such expense chargeable to B shall be credited by A and charged by B to the appropriate account "Operating joint yards and terminals." A has the option of clearing the cost of preparing B's train locomotives through account No. 400, "Enginehouse expenses—Train," or of crediting the amount of such cost to its payroll and material accounts. A shall charge the cost of preparing its train locomotives to account No. 400, "Enginehouse expenses—Train," and B shall include in the same account the cost of preparing its train locomotives.

CASE 53.

Query. Road A cleans Road B's cars and supplies them with oil and gas for lighting, and with water, ice, and coal, and with oil and waste for lubrication, upon the basis of the actual cost of the labor and supplies. What is the proper accounting by each company for these expenses?

Answer. A shall distribute these expenses from its labor and material accounts directly against B. B shall charge its proportion of the expenses to the appropriate operating expense primary accounts other than joint facility accounts. (See Case 161.)

CASE 54.

Query. Road A operates one of its yards for the joint benefit of its own service and that of Road B. Each road furnishes its own coal, delivered in cars at this yard. The coal used by the locomotives at this point is handled through the coal bins owned by Road A, separate bins being provided for the coal used upon B's locomotives. The cost of operating this fuel station is apportioned by A between its own train service, B's train service, and the service of the joint yard (which is operated by A) upon the basis of quantity of coal supplied. The proportion charged to the joint yard is divided between the two railroads upon the basis used for division of other joint-yard expenses. How shall these fuel station expenses be treated in the accounts of the two companies?

Answer. A shall include the entire cost of the operation of the fuel station in an appropriate clearing account and shall clear such expenses through the following charges. The proportion of the cost of handling fuel for B's train locomotives shall be charged directly to B. The proportion of the cost of handling fuel assignable to A's train locomotive service shall be charged by A to account No. 394, "Fuel for train locomotives." The proportion of the cost of handling the fuel assignable to the joint-yard service shall be charged by A to account No. 382, "Fuel for yard locomotives." B shall charge the cost of handling the fuel for its train locomotives to account No. 394, "Fuel for train locomotives." A shall credit and B shall charge the appropriate accounts for operating joint yards and terminals, with B's proportion of the cost of handling the fuel used in the joint-yard service.

CASE 55.

Query. The contract between Road B and Road A under which B uses the terminals of A at Y provides for the furnishing from A's storehouse of certain materials and supplies (including materials and supplies for locomotive and train use) for use in the operation of B's line south of Y. A's storehouse is not included in the schedule as a joint structure. How shall the charges covering the materials and supplies be treated in the accounts?

Answer. The amounts charged B for materials and supplies shall be credited by A to the material and supplies account and charged by B to the appropriate primary expense accounts other than joint facility accounts.

CASE 56.

Query. A carrier operates two freight houses at a terminal and furnishes all the facilities and labor for handling merchandise shipments for tenant lines. It charges them for this service a rate per ton. To what account shall be credited the amounts collected?

Answer. The portion of the charges representing maintenance and operation shall be credited to the appropriate joint facility accounts in Operating Expenses; that portion representing payments for the use of capital and for taxes shall be credited to income account No. 508, "Joint facility rent income." (See Case 28.)

CASE 57.

Query. When is a road under construction required to commence keeping accounts for operating revenues and operating expenses?

Answer. Accounts of operating revenues and operating expenses shall be kept as soon as the road begins the operation of transportation service trains.

CASE 58.

Query. A carrier participates in the operation of a through dining-car line, the equipment of which is owned by another carrier. How shall its proportion of loss be handled?

Answer. Each carrier shall include its proportion of the revenues in account No. 131, "Dining and buffet," and its proportion of the expenses in the appropriate operating expense primary accounts other than joint facility accounts. The operating carrier shall credit the rents of equipment to account No. 505, "Rent from passenger-train cars," and the participating carrier shall charge them to account No. 538, "Rent for passenger-train cars."

CASE 59.

Query. In 1906 a carrier acquired and charged to equipment account a box car costing \$640. This car was destroyed in 1910 upon a foreign line. The trucks were repaired and returned. The value of these trucks was \$175. The carrier rendered bill against the foreign line for \$344, this being the value under Master Car Builders' Association rules of the body of the car at the time it was destroyed. The carrier had charged \$60 to Operating Expenses and credited the same amount to balance-sheet account No. 776, "Accrued depreciation—Equipment," to cover depreciation of the car from July 1, 1907, to the date of its retirement. The depreciation accruing previous to July 1, 1907, amounted to \$20. What entries are necessary for a proper accounting for the retirement of this car?

Answer. The text of road and equipment general account II, Equipment, quite fully describes the proper accounting for equipment retired. The following statement of this particular case, in journal entry form, may prove an additional aid in determining the correct accounting:

No. 776, "Accrued depreciation—Equipment" (an amount equal to the amount previously credited thereto with respect to this car).....	\$60
No. 715, "Miscellaneous accounts receivable" (amount charged foreign line).....	344
No. 716, "Material and supplies" (value of trucks).....	175
No. 619, "Loss on retired road and equipment" (depreciation to July 1, 1907).....	20
No. 316, "Freight-train cars—Retirements".....	41
No. 53, "Freight-train cars" (cost of car).....	\$640

CASE 60.

Query. To what account shall be charged the cost of options upon lands for terminals and approaches of a bridge, the plans for construction of which were postponed?

Answer. The amount paid for options on property which it was proposed to use in the construction of terminal and bridge-approach improvements shall be carried in a suspense account until the proper disposition has been finally determined. If, later, the plan is definitely abandoned, and the amount expended is lost, the loss sustained shall be charged to Profit and Loss.

CASE 61.

Query. To what account shall freight charges over the line owning tracks be credited when they are added to the cost of maintenance material charged against joint users of the tracks?

To what account shall be credited percentage added to joint-track bills for superintendence and store expenses?

Answer. Amounts included in joint facility bills representing freight charges shall be credited to revenue account No. 101, "Freight," and amounts representing superintendence and store expenses shall be credited by the operating company to Oper-

ating Expenses through the joint facility accounts. It is not intended that minor profits from percentages added to such bills shall be credited to the revenue accounts. (See Cases 25 and 79.)

CASE 62.

Query. A bridge was damaged by a wreck. Although it was possible to repair the bridge where it stood, the railroad management considered it economy to remove the bridge to the shops for repairs. Pending the repairs, a temporary pile structure was installed. To what account shall the cost of the temporary bridge be charged?

Answer. The cost (less salvage) of the temporary bridge shall be charged to expense account No. 208, "Bridges, trestles, and culverts."

CASE 63.

Query. Road B is responsible for the damage done by one of its locomotives to Road A's interlocking plant. This plant is a joint facility of the two railroads. In what account shall B include the expense of repairs?

Answer. The expense of such repairs shall be included in expense account No. 416, "Damage to property."

CASE 64.

Query. To what account shall be charged the pay of timekeepers engaged in construction work, and the cost of tents, bunks, and materials used by them?

Answer. Such expenditures shall be distributed to the cost of the specific work to which the timekeepers are assigned.

CASE 65.

Query. Two houses on carrier's right of way are occupied by roadway employees, rent free. Is it proper to credit an amount representing a fair rent for the houses to revenue account No. 142, "Rents of buildings and other property," and debit the repairs to expense account No. 229, "Roadway buildings"?

Answer. It is not intended that amounts which do not represent revenue actually earned shall be credited to the revenue accounts; neither is it intended that amounts which do not represent actual expenses shall be charged to the expense accounts. No credit shall be made to the revenue accounts for rent of houses on right of way occupied by employees, rent free. The cost of repairing the houses is a proper charge to expense account No. 229, "Roadway buildings."

CASE 66.

Query. Shall the distribution of extraordinary expenses for injuries to persons and damage to property, the result of casualties in connection with the operation of joint facilities, be made through the joint facility accounts or through the other primary accounts?

Answer. All such expenses incurred in the operation of joint facilities, in which the parties to the contracts for such operation jointly participate, shall be handled through the appropriate joint facility accounts. (See Cases 42 and 132.)

CASE 67.

Query. To what accounts shall bills be distributed when rendered against other companies for their proportions of wages of crossing flagmen stationed where there are no towers or gates?

Answer. If the crossing flagmen are employed at road crossings where the tracks of two or more companies are parallel and there are no tracks used jointly, the proportions billed against other companies shall be credited by the billing road to expense account No. 405, "Crossing protection," and taken up in the same account by the paying road. If, on the contrary, the flagmen are located at street or road crossings in joint yards, such bills shall be included in the account "Operating joint yards and termi-

nals," and if on joint tracks outside of yards, in the account "Operating joint tracks and facilities."

CASE 68.

Query. Road B runs its trains for a distance over Road A's tracks, paying a fixed rent per year for the privilege. These trains are operated by B's crews. Which road shall report the train-miles of B's trains while on A's tracks?

Answer. B shall include in its statistics the train-miles, car-miles, etc., for its trains operated on A's tracks.

CASE 69.

Query. In April, 1902, a carrier completed a spur track, the cost of which was charged to Operating Expenses. The larger part of the material used was second-hand. In December, 1908, the track was taken up and not replaced. In view of the fact that the cost of the track was included in operating expenses, shall not the salvage, if any, be charged to a material account and surplus credited with a similar amount?

Answer. The salvage shall be charged to a material account and Profit and Loss credited with a similar amount. Expenses incident to the retirement of the track shall be charged to Profit and Loss.

CASE 70.

Query. To what account shall a railroad credit rent received from a telephone company for joint use of its trolley poles?

Answer. Such rent shall be included in revenue account No. 142, "Rents of buildings and other property."

CASE 71.

Query. To what accounts shall a carrier credit the value of scrap which recently has been gathered and sold, and charge the cost of gathering same for sale? This scrap has been scattered along the road for years, and it is now impossible to say to what equipment or structures it originally belonged. It has never been carried in any material account.

Answer. The receipts from the sale of this scrap, less the cost of assorting it, shall be credited to material accounts and cleared from these accounts to Operating Expenses. The cost of gathering the scrap shall be charged to expense account No. 202, "Roadway maintenance."

CASE 72.

Query. At various terminals on a section of Road A's line, which is jointly operated with Road B, switching locomotives are furnished by B. How shall the compensation for the use of these locomotives, which includes rent and the cost of repairs, be accounted for?

Answer. The proportion of compensation which covers the cost of repairs to and depreciation of the locomotives shall be cleared through accounts "Maintaining joint equipment at terminals." The remainder, representing return on capital invested in the locomotives, shall be credited by B and charged by A to the appropriate locomotive rent accounts in Income.

CASE 73.

Query. Road A loans a locomotive and three coaches to Road B for excursion service, and charges B for trackage and wages of employees delivering the equipment. How shall these charges be treated?

Answer. The charge for trackage shall be credited to account No. 143, "Miscellaneous." The charge for wages of employees shall be credited to the pay roll account to which the wages of employees have been charged. The carrier has the option of clearing the wages through the appropriate operating expense accounts. (See Case 174.)

CASE 74.

Query. May the adjustment of material accounts to the basis of inventories be deferred to a period subsequent to the year in which the inventories are taken?

Answer. Such adjustments shall be made in the accounts of the year in which the inventories are taken. (*See Case 2.*)

CASE 75.

Query. A company handles logs and ores extensively and to get this freight is obliged to build temporary tracks into the woods and to the mines. Is it permissible, instead of charging the entire cost of these tracks to the road and equipment accounts, to charge the material, such as rails, angle bars, and switches, to these accounts, and to include in Operating Expenses the cost of the ties, bolts, and grading? In this way the irrecoverable portion of these tracks is disposed of during the time revenue from them is being received and not after the revenue is all in.

Answer. The entire first cost of the sidings and spur tracks shall be charged to the road and equipment accounts. The classifications permit the carrier to include the depreciation upon these tracks in operating expenses during the period they are in use.

CASE 76.

Query. How may a carrier make adjustment of the differences, due to insufficient charges for depreciation, between the value of equipment as carried in its property account and the actual value of the equipment as ascertained by an inventory appraisal?

Answer. If a carrier's equipment accounts prior to July 1, 1907 (the effective date of the depreciation accounts in Operating Expenses) show insufficient charges for depreciation, and a carrier elects to make an adjustment so that the property account Equipment shall in fact reflect the cost of equipment in service and the depreciation accounts reflect the full amount of depreciation accrued on such equipment from the beginning of its life, such adjustment for depreciation prior to July 1, 1907, shall be made through Profit and Loss.

Advice as to the proper disposition of differences due to insufficient charges for depreciation after July 1, 1907, will be given by the Commission upon receipt of particulars of such discrepancies.

CASE 77.

Query. Road B, as agent for Road A, furnishes the necessary equipment and operates passenger trains a distance over Road A's tracks. A pays B a rate per train-mile for the service and receives all local revenue and proportion of revenue for through traffic in trains while on these tracks. What is the proper accounting for these revenues and expenses?

Answer. Road A shall credit the revenue of the trains to the primary revenue accounts under Transportation and shall report all passenger and mileage statistics of the trains.

The amount paid for the train service shall be divided, upon a basis agreed to between the two roads, into two parts; one part, representing the rent of the equipment, shall be included by each road in the appropriate equipment rent accounts in Income, the other part, representing the expenses of operation, shall be charged by A under general accounts Maintenance of Equipment and Transportation to the primary accounts other than joint facility accounts, and shall be credited by B to the same accounts.

CASE 78.

Query. A railroad is constructed at a cost equal to the amount realized from the proceeds of a bond issue. Capital stock is issued gratuitously to stockholders. What entries shall be made in the balance-sheet accounts on account of the issue of this stock?

Answer. The par value of the stock issued shall be credited to account No. 751, "Capital stock," and shall be debited to accounts covering discount and premium on capital stock. The cost of road and equipment as stated in the property investment accounts shall be their actual net cost in cash.

CASE 79.

Query. A carrier realized a profit of \$2,000 in one month upon coal which it furnished, under a temporary arrangement, to another carrier. If this profit is credited as provided in Case 25, it will unduly distort its operating expenses. In what account shall the profit be included?

Answer. Case 25 has reference to small profits arising from work done or supplies furnished under conditions which make it difficult to separate costs and profits.

In the case mentioned, the profit arising shall be credited to revenue account No. 143, "Miscellaneous." In arriving at the profit, proper allowance shall be made to cover transportation charges. (*See Cases 25 and 61.*)

CASE 80.

Query. A road sells notes because the money market does not warrant the sale of bonds, which are deposited as collateral for the notes. Is it permissible to spread the discount on the notes over the life of the bonds, treating the sale and retirement of both notes and bonds as one transaction?

Answer. The sale and retirement of the notes shall be separately accounted for, and the discount suffered shall be treated as provided in account No. 547, "Interest on unfunded debt," if the notes are for a term not exceeding one year. If for a longer term, the discount shall be included in account No. 725, "Discount on funded debt" and extinguished during the life of the notes.

CASE 81.

Query. To what account shall be charged a contribution to cover the deficit of a "Chautauqua"? This contribution was guaranteed for the purpose of securing traffic.

Answer. The amount shall be charged to account No. 353, "Advertising."

CASE 82.

Query. A bridge company owns, maintains, operates, and pays the taxes upon a bridge over which a single railroad, in consideration of a fixed annual rent, enjoys the right to operate its trains. In what accounts shall this rent be included?

Answer. The bridge company shall credit the rent to income account No. 509, "Income from lease of road"; shall charge the cost of maintaining and operating the bridge to the same account; and shall charge the taxes to account No. 532, "Railway tax accruals."

The railroad shall charge the proportion of the rent representing the expenses of maintenance and operation to the appropriate operating expense primary accounts, and the remainder to income account No. 542, "Rent for leased roads." As this is the only railroad operating trains over the bridge, it is not a joint facility.

CASE 83.

Query. County scrip, which will be accepted at face value in payment of taxes, is purchased at a discount. How shall it be carried in the balance sheet, and in what accounts shall the profit be included when the scrip is used?

Answer. The scrip shall be carried at cost. When it is used in the payment of taxes the profit shall be credited to profit and loss account No. 607, "Miscellaneous credits."

CASE 84.

Query. At certain points on the border freight-train cars are held by the custom-house authorities a considerable length of time. Is the per diem accrued during the detention of the cars chargeable to equipment rent account or to transportation expense account No. 411, "Other expenses"?

Answer. The per diem charges assessed in accordance with the per diem rules of the carrier shall be charged to income account "Hire of freight cars."

CASE 85.

Query. To what account shall be charged the expense of cleaning the exterior of sleeping and dining cars?

Answer. The cost of exterior cleaning of such cars shall be charged to expense account No. 402, "Train supplies and expenses."

CASE 86.

Query. Through error a duplicate refund was made of an overcharge, and the amount was determined to be irrecoverable. To what account shall be charged the duplicate refund?

Answer. The amount of the duplicate refund, when discovered, shall be credited to the account previously charged, and when found to be irrecoverable shall be charged to account No. 533, "Uncollectible railway revenues." This case shall not be construed to relieve the carrier from its responsibility for collecting and retaining the lawfully established charges.

CASE 87.

Query. To what account shall be credited amounts received from anonymous sources which are ordinarily designated as "Conscience money"?

Answer. Unless the remittances indicate that the payments are assignable to the revenue, expense, or income accounts, such payments shall be credited to account No. 607, "Miscellaneous credits."

CASE 88.

Query. To what account shall be charged witness fees in a suit for damages growing out of the false arrest of a person suspected of setting fire to a shop building of a carrier; also, to what account shall be charged the judgment, if any, secured in such a suit?

Answer. Both fees and judgment shall be charged to expense account No. 277, "Other expenses."

CASE 89.

Query. Recently a carrier's shops and some equipment were burned. After deducting insurance there remains a loss on both shops and equipment. Is it proper to charge the loss on the building to Profit and Loss?

Answer. The cost of the shops shall be credited to the appropriate road and equipment accounts. If it is intended to replace the burned property, its cost, less insurance and depreciation accrued, if any, and salvage recovered, shall be charged to the appropriate operating expense accounts. If the shops are not to be rebuilt, the cost, less insurance and depreciation accrued, if any, and salvage recovered, shall be charged to profit and loss account No. 619, "Loss on retired road and equipment." The loss on equipment shall be handled in accordance with the provisions in the text of road and equipment general account II, Equipment.

CASE 90.

Query. To what account shall be charged penalties paid to public authorities for violation of the 28-hour stock law?

Answer. They shall be charged to profit and loss account No. 621, "Miscellaneous debits." (See Cases 37 and 38.)

CASE 91.

Query. A carrier frequently pays charges for cleaning its ice houses. Shall the expense be charged to "Train supplies and expenses," or shall it be divided between that account and "Station employees"?

Answer. The cost of cleaning ice houses is considered a part of the cost of storing. It shall be added to the cost of the ice and, with the latter, apportioned to the accounts to which the ice is charged.

CASE 92.

Query. Railway A rents a portion of its tracks to Railway C at a flat rate per annum, the amount of which is credited to rent, maintenance, and operation. This track is a part of that operated jointly by A and B. Under the contract for the joint operation, B is entitled to its proportion of the amounts received by A from C. What is the proper distribution of the amount paid by A to B as its share of the amounts collected from C?

Answer. The amount paid by C to A shall be divided into two parts; one representing maintenance and operation; the other, rent. The first part shall be credited by A to its appropriate joint facility operating expense accounts and the other to the joint facility rent account under Income. The proportion of these credits which is allowed in settlement with B shall be deducted from B's proportion of the charge for rent, maintenance, and operation of the whole joint facility, and the remainder, which is collected from B, shall be credited by A to its appropriate joint facility operating expense accounts and joint facility rent account under Income.

CASE 93.

Query. There is a connecting line between the tracks of the A company and those of the B company, each company owning the one-half of the track next to its own line. The two companies alternate in performing the interchange switching over this track in periods of six months, rendering bills alternately for proportions of service performed. How shall the payments be charged and credited?

Answer. It is assumed that the bills for the service performed cover the cost of switching service only. The amounts of such charges shall be included in the appropriate operating expense primary accounts other than joint facility accounts. If the charges for hire of equipment are included in these bills, such charges shall be included by both companies in the appropriate equipment rent account in Income.

CASE 94.

Query. A carrier has a joint facility arrangement with another carrier which does not report to the Commission. Shall it handle through its joint facility accounts the amounts received for the use of these facilities?

Answer. It shall. Amounts received from a carrier, whether it reports to the Commission or not, for the joint use of property operated by a carrier reporting to the Commission, shall be divided by the operating carrier into two parts. One, representing the cost of maintenance and operation, shall be credited by the operating carrier to the joint facility expense accounts affected; the other shall be credited to income account No. 508, "Joint facility rent income." In case the facilities used jointly are of minor importance, and the amounts received for the use of them are small, the credits shall be to revenue account No. 142, "Rents of buildings and other property."

CASE 95.

Query. A terminal company has a contract with four railroads which jointly own its capital stock, under which it handles all freight and passenger business over its terminals for these companies. These railroads reimburse the terminal company for all expenses of operation, interest on the bonds, and other fixed charges of the terminal company and, in addition, pay a small percentage on first-mortgage bonds to be used as a sinking fund for retiring the bonds. How shall these various payments be treated in the terminal company's accounts?

Answer. The switching or terminal company shall include the expenses of operation in its primary expense accounts and shall credit the charges pertaining to the joint benefit service to the appropriate joint facility expense accounts. It shall include the interest on bonds, other fixed charges, and contributions to its sinking fund in income account No. 508, "Joint facility rent income."

CASE 96.

Query. A locomotive assigned to yard switching service is taken to the shops a number of miles distant for repairs and is relieved by a locomotive from the shops. To what account shall be charged the expense of running the relief locomotive from the shops to the point where it is to be put in service? How shall the mileage of the locomotives be classified?

Answer. The expenses shall be charged to the proper yard accounts under Transportation—Rail line. The mileage of the locomotives shall be classed as yard switching locomotive-miles.

CASE 97.

Query. A and B are 10 miles apart, and the freight destined to B passes through A. The freight trains are divided in the yard at A, and through freight destined to B is taken to B by a transfer crew. The line between A and B is a part of the carrier's main line. Shall the service of the transfer crew between these points be considered train service or yard service?

Answer. It shall be considered train service and the expenses and the statistics of train-miles, locomotive-miles, car-miles, etc., shall be treated accordingly. (See Case 7.)

CASE 98.

Query. To what account shall a carrier charge commissions paid to brokers for the purchase of the securities of other companies?

Answer. The amount of such commissions shall be considered as a part of the cost of the securities purchased.

CASE 99.

Query. A carrier obtains a franchise which permits it to operate with steam motive power within the limits of a city for a period of 20 years. To what account shall the cost of this franchise be charged?

Answer. The cost shall be included in a convenient suspense account under balance-sheet account No. 727, "Other unadjusted debits," and amortized during the life of the franchise through equal annual charges to income account No. 551, "Miscellaneous income charges."

CASE 100.

Query. In the construction of undergrade and overhead highway crossings a carrier purchases sufficient land for slopes outside of its right of way instead of building retaining walls. To what account shall the cost of this land be charged?

Answer. It shall be charged to road and equipment account No. 2, "Land for transportation purposes." (See Case 186.)

CASE 101.

Query. In connection with the construction of an extension to its line a carrier relocates a short section of an electric road's tracks for the purpose of avoiding grade crossings. To what account shall the cost of the work be charged?

Answer. It shall be charged to road and equipment account No. 2, "Land for transportation purposes."

CASE 102.

Query. A carrier sells to another carrier an undivided third interest in a part of its line. How shall the proceeds of the sale be credited?

Answer. One-third of the ledger cost of the line shall be credited to the primary road and equipment accounts to which the property had previously been charged. The difference between the total amount thus credited and the amount received for the proportion sold shall be included in Profit and Loss.

CASE 103.

Query. A carrier company sells a part of its line. To what account shall be credited a lump sum received for the property?

Answer. The primary road and equipment accounts shall be credited with amounts equal to the net amounts previously charged thereto with respect to the property sold. The difference between the total amount thus credited and the amount received shall be included in Profit and Loss.

CASE 104.

Query. Real estate purchased in the names of individuals is used by a carrier as right of way and for other operating purposes. How shall its cost be accounted for?

Answer. Under the assumption that the individuals in whose names the property has been purchased are in fact the agents of the carrier, the cost of the real estate shall be included in the carrier's property investment accounts.

CASE 105.

Query. On account of its line crossing a stream at a point on a section line a railroad purchases land for the purpose of constructing a county road at one side of the section line at this point, thus permitting separate bridges to be built for use of the railroad and the highway. The title of the land purchased is conveyed to the county, while the county surrenders its title to that portion of the land upon which the railway is constructed and which was originally occupied by the highway. To what account shall the cost of the land be charged?

Answer. It shall be charged to road and equipment account No. 2, "Land for transportation purposes."

CASE 106.

Query. To what account shall be credited amounts collected from contractors as penalties for failure to complete the construction of a portion of a line at a specified time?

Answer. Such forfeiture shall be considered as an abatement in the cost of the work covered in the contract and shall be credited to the account to which the cost of the work is charged.

CASE 107.

Query. To what account shall the cost of the equipment of cabooses with telephones be charged; also the cost of repairs of these instruments? They are for use in case of accident or trouble upon the line.

Answer. The cost of the installation as an initial equipment shall be charged to road and equipment account No. 26, "Telegraph and telephone lines," and the cost of maintenance to expense account No. 247, "Telegraph and telephone lines."

CASE 108.

Query. In the construction of new freight cars some second-hand material is used. At what prices shall this material be included in the cost of the new equipment?

Answer. The prices of the second-hand material shall be determined by deducting fair allowances for depreciation from the current prices of the material as new.

CASE 109.

Query. Under the provisions of the forfeiture clause in a lease a carrier secured title to a building which had been erected by the lessee upon the carrier's property at a cost of \$3,000. At the time of the foreclosure the lessee owed \$300 for rent. Shall the charges to the carrier's property account to cover the building be based upon the original cost or upon the amount of the rent due?

Answer. The charge to the property account shall be based upon the actual cost of the property to the carrier.

CASE 110.

Query. A wrecking crane, which was being used in removing old piles in connection with the repairs and additions and betterments to a wharf, fell through the wharf. The engineer of the crane was injured. To what account shall be charged the payments on account of these injuries?

Answer. The accident having occurred in connection with the removal of the old structure as a preliminary to the construction of improved wharf facilities, the payments shall be charged to expense account No. 274, "Injuries to persons."

CASE 111.

Query. In connection with the application of an improved device to equipment, to what account shall be charged the cost of removing the old and of applying the new device?

Answer. The cost of removing the old and of applying the new device shall be charged to the appropriate repair account.

CASE 112.

Query. To what account shall be charged the cost of a motor applied to a locomotive turntable?

Answer. The cost shall be charged to road and equipment account No. 20, "Shops and enginehouses." The cost of the motor removed, if any, shall be credited to the same account.

CASE 113.

Query. In the division of through passenger rates between Road A and Road B, Road B was allowed an arbitrary per passenger for ferry service at its terminal. Subsequently the ferry service was extended and improved, and Road B was then allowed, in addition to the arbitrary, a stated amount per year, irrespective of the number of passengers. To what accounts shall the additional payments be debited and credited by A and B, respectively?

Answer. They shall be debited and credited to the accounts to which the payments based upon the arbitrary per passenger are debited and credited.

CASE 114.

Query. A terminal railway company has no station agents, its station service being performed by the superintendent of transportation and his clerks. To what account shall the pay of these employees while thus engaged be charged?

Answer. To expense account No. 373, "Station employees."

CASE 115.

Query. At a joint terminal the lading of cars is transferred on account of the cars being in bad order. The cost of the work is charged against the road responsible for the condition of the cars. In what account shall be included the amount of such charges?

Answer. It shall be charged to expense account No. 373, "Station employees." Under the conditions stated this is not a joint facility expense.

CASE 116.

Query. A railroad which does not permit its own equipment to leave its rails receives freight cars from one connection on a per diem basis and from another upon a demurrage basis. Shall the amounts paid as demurrage be charged as hire of equipment?

Answer. They shall be so charged.

CASE 117.

Query. The fuel used by a carrier is transported upon the basis of through rates from mines located upon a foreign line. To what account shall be credited the carrier's proportion of the through rate on this material?

Answer. If the freight charges on the fuel upon the basis of through rate are charged to the carrier's fuel account, the carrier's proportion of the freight charges shall be credited to the same account.

CASE 118.

Query. A large part of the freight-car equipment used by a carrier in its operations is held under a lease from the industrial owner. To what account shall be charged amounts paid to the owner of the equipment? These payments represent rent and depreciation.

Answer. The rent shall be charged to income account, "Hire of freight cars," and the depreciation charged to expense account No. 315, "Freight-train cars—Depreciation."

CASE 119.

Query. A dining-car waiter left his car when a stop was made on account of a crossing accident. In attempting to reenter the train he fell and was injured. Shall the expenses on account of such injuries be included in the accounts for rail operations, or in those for miscellaneous operations?

Answer. They shall be charged to rail operating expense account No. 420, "Injuries to persons." (See Case 19.)

CASE 120.

Query. To what account shall be charged a carrier's expenses on account of associations of transportation and car accounting officers?

Answer. They shall be charged to the accounts which are charged with the salaries of the officers who represent the carrier as members of the associations.

CASE 121.

Query. To what account shall be charged the cost of running a special train for the purpose of promoting industries along a carrier's lines?

Answer. It shall be charged to expense account No. 356, "Industrial and immigration bureaus."

CASE 122.

Query. Is it permissible to charge to expense account No. 372, "Dispatching trains," a portion of the salaries of telegraph operators who are located in towers and who incidentally receive and deliver train orders?

Answer. It is not. No charges shall be made to this account for incidental services in receiving and delivering train orders.

CASE 123.

Query. Is it proper to credit income account "Hire of freight cars," and to charge Operating Expenses upon a per diem basis for the rent of cars used in transporting company fuel used for operating purposes?

Answer. No charges shall be made to Operating Expenses for the rent of cars used in transporting company fuel.

CASE 124.

Query. The fuel used by a carrier in its operations is delivered to its line by schooner. At the point of delivery it is unloaded into bins. From these bins it is loaded and transferred to other bins along the line and as needed is removed to coal chutes. Is the cost of the coal delivered to the line properly considered the cost of the fuel, or shall the cost of handling and transporting over the carrier's line be included?

Answer. The cost of the fuel shall include its cost delivered to the carrier plus the handling (loading and unloading) expenses up to and including delivery at the chutes. No charges for transportation over the carrier's own line shall be included.

CASE 125.

Query. To what account shall be charged the expenses connected with gathering and replacing on the tracks freight equipment wrecked by an extensive flood caused by the bursting of an industrial company's dam?

Answer. They shall be charged to expense account No. 415, "Clearing wrecks."

CASE 126.

Query. To what account shall be charged the expenses of the cold storage of freight which can not be delivered at the time it is unloaded?

Answer. The carrier's expenses on account of such storage shall be charged to expense account No. 376, "Station supplies and expenses."

CASE 127.

Query. An agent received a summons garnishing the wages of an employee. On account of delay incident to notifying the legal department the employee succeeded in drawing his pay. The carrier was obliged to make good the amount of the claim. To what account shall the loss be charged?

Answer. The loss shall be charged to expense account No. 460, "Other expenses."

CASE 128.

Query. To what account shall be charged the cost of foundry patterns?

Answer. It shall be charged to the accounts to which is chargeable the cost of the castings manufactured from the patterns.

CASE 129.

Query. A storehouse containing maintenance-of-equipment material is destroyed by fire. To what account shall be charged the loss of the material?

Answer. If the net loss is relatively small, it shall be distributed to the accounts to which the material would have been charged had the fire not occurred. If the loss is so large that its inclusion in the maintenance-of-equipment accounts would impair the significance of the statistics prepared from such accounts, the loss shall be included in account No. 621, "Miscellaneous debits."

CASE 130.

Query. A carrier pays the salaries of the employees and all other expenses of a joint outside ticket agency, and charges each tenant company for a proportion of these expenses, based upon the ticket sales. In what accounts shall these charges be included?

Answer. Carriers have the option, according to their convenience in accounting, of crediting the proportions of the expenses of joint traffic offices charged to other carriers directly to their pay roll and voucher accounts, or of including all charges on account of service in the primary operating expense accounts and crediting foreign lines' proportions to the same accounts. Joint traffic expenses are usually readily assignable to the primary accounts, and joint facility traffic accounts are therefore deemed to be unnecessary.

CASE 131.

Query. To what account shall be charged the cost of twist drills, taps, dies, etc., used in general machine work, when for the replacement of worn-out tools?

Answer. If such articles are for use as appurtenances of power machine tools, their cost shall be charged to expense account No. 302, "Shop machinery." If they are for use as hand tool equipment, they shall be charged to clearing account "Shop expenses."

CASE 132.

Query. The equipment used for the operation of a joint terminal is damaged, one of the carriers using the terminal being responsible for the repairs as the damage occurred through the fault of its employees. How shall the terminal company, which makes the repairs, clear the cost of the work in its accounts?

Answer. The cost shall be credited directly to the payroll and material accounts, or cleared through the appropriate primary accounts for repairs of equipment. This is not a joint facility item. (See Cases 42 and 66.)

CASE 133.

Query. To what account shall be charged the cost of oil used in lubricating air-brake cylinders on cars?

Answer. It shall be charged to expense account No. 402, "Train supplies and expenses."

CASE 134.

Query. To what account shall be charged the cost of preparing and recording an agreement with another carrier covering trackage rights?

Answer. Specific fees paid to attorneys for such services shall be charged to expense account No. 454, "Law expenses." It is not intended that charges shall be made to this account for the incidental services of officers whose pay is regularly chargeable to other accounts.

CASE 135.

Query. Locomotives are leased to a lumber company, the lessor furnishing fuel and other supplies for the locomotives and the lessee paying a lump sum for the supplies and for use of the equipment. To what account shall be credited the amounts received?

Answer. They shall be equitably apportioned between account No. 504, "Rent from locomotives," and the accounts originally charged with the cost of the supplies. (See section 2 of the general instructions for the Classification of Income, Profit and Loss, and General Balance Sheet Accounts.)

CASE 136.

Query. When land is rented in connection with addition and betterment projects, pending an actual purchase of the property, is the amount of such rent properly chargeable to the cost of additions and betterments? To what account shall be credited rents received from subtenants of such property?

Answer. Provided the primary object in the renting of property is to facilitate the addition and betterment work and the property is actually purchased for addition and betterment purposes, the rents paid shall be included in the road and equipment accounts, and the rents received credited to the same accounts.

CASE 137.

Query. The coupons on certain equipment-trust obligations contain a stipulation that if not paid on date of maturity the coupons shall bear interest from that date. To what account shall the interest on the coupons be charged?

Answer. It shall be charged to income account No. 547, "Interest on unfunded debt."

CASE 138.

Query. The expenses of a State railway commission are borne by the railways, the apportionment among them being based partly on net earnings and partly on mileage. To what accounts shall be charged a carrier's proportion of such expenses?

Answer. It shall be charged to income account No. 532, "Railway tax accruals."

CASE 139.

Query. A company acquires the exclusive use of tracks for a term of 10 years, paying a fixed rate per car and in addition advancing funds to the lessor for the construction of spur tracks, which are the property of the lessor. It is provided that in case of the termination of the lease before the completion of the full term, the lessor will refund to the lessee the amount advanced, less 10 per cent per annum from the date of the lease. What is the proper accounting for the advances for construction?

Answer. The lessee shall carry the advances in account No. 706, "Investments in affiliated companies," or in account No. 722, "Other deferred assets," as may be appropriate, charging one-tenth of the sum to Income each year as rents paid for lease of track. The lessor shall correspondingly credit the advances to account No. 757, "Nonnegotiable debt to affiliated companies," or to account No. 770, "Other deferred liabilities," as may be appropriate, crediting one-tenth of the sum to Income each year as rents received.

CASE 140.

Query. In what account shall be included a carrier's investment in tableware and tables, silverware, linen, and kitchen utensils in dining cars?

Answer. In account No. 54, "Passenger-train cars." (See Case 164.)

CASE 141.

Query. What is the correct accounting for the cost of adding, calculating, and typewriting machines purchased by a road during its construction period?

Answer. The cost when purchased shall be charged to account No. 74, "Stationery and printing," and if the machines are retained for use during the operating period the residual value of the property shall be credited to this account and charged to the property accounts to which is chargeable the cost of the buildings of the class in which the machines are used.

CASE 142.

Query. To what account shall be charged a carrier's investment in an experimental farm which is conducted for the purpose of increasing traffic?

Answer. The cost of lands shall be charged to account No. 2, "Land for transportation purposes," and cost of buildings to account No. 35, "Miscellaneous structures."

CASE 143.

Query. A carrier includes in the price of material sold by it the tariff charges for transportation over its line. To what account shall these charges be credited?

Answer. To account No. 101, "Freight."

CASE 144.

Query. To what account shall be credited the revenue derived from the transportation of packages, articles, etc., other than milk, on passenger trains?

Answer. If the rates charged for the transportation service are applicable only when the property is transported incident to transportation of passengers and the weight of the property is included in the determination of excess weight of baggage over free allowance, the credit shall be to account No. 103, "Excess baggage." Otherwise the revenue shall be credited to account No. 101, "Freight," if based upon freight tariffs, and to account No. 108, "Other passenger-train," when on other bases.

CASE 145.

Query. In what account shall be included the pay and traveling, office, and other expenses of officers, claim adjusters, clerks, and attendants who constitute the organizations for the handling of claim matters, including personal injury, loss and damage, overcharge, live stock, and damage to property claims?

Answer. These expenses shall be charged to accounts Nos. 451, 452, 453, or 458, as may be appropriate.

CASE 146.

Query. A carrier operates regularly over its line a train for the transportation of passengers. It receives for the transportation of through passengers a rate per train-mile from connecting lines. It concurs in the tariffs under which through passengers are transported, but does not share in the prorate of the revenue therefrom. What is the proper accounting for the amount thus received from the connecting lines?

Answer. The carrier shall include the statistics for such transportation in its own accounts, and shall credit the amount received to revenue account No. 102, "Passenger." The connecting lines shall correspondingly charge their respective proportions of the payments to the same account.

CASE 147.

Query. To what account shall be credited the revenue derived from the weighing of cars at tariff rates? The service performed is principally switching service. The expense of recording the weights of the cars is relatively small.

Answer. To account No. 143, "Miscellaneous."

CASE 148.

Query. When lighterage service is provided for under the tariff rate under which freight moves over the carrier's rail line, shall any revenue from the lighterage be credited to the water-transfer revenue accounts?

Answer. No. The revenue accounts for water transfers are intended to include merely revenue upon the basis of tariff rates covering only water-transfer service.

CASE 149.

Query. A carrier leases a part of the railroad which it operates. To what account shall be credited the rent received for the exclusive use of a dwelling house located upon the right of way of the leased line?

Answer. To account No. 510, "Miscellaneous rent income."

CASE 150.

Query. A carrier rents a part of its terminal station for use as a warehouse and furnishes electrical power for use of the tenant. To what account should be credited the compensation received?

Answer. If the compensation received is not based on distinct charges for rent of the facility and for the power furnished, and the quantity of power furnished is relatively small, the credit shall be to account No. 142, "Rents of buildings and other property." Only the proportion assignable as rent otherwise shall be credited in this account and the remainder shall be credited to account No. 141, "Power."

CASE 151.

Query. A carrier operates restaurant, billiard and pool, bathing, and barber service for the benefit of its employees. In what accounts shall the revenues and the expenses of the service be included?

Answer. The revenues shall be included in account No. 132, "Hotel and restaurant," and the expenses in account No. 442, "Hotels and restaurants."

CASE 152.

Query. To what account shall be credited the revenue derived under specific tariff rates for heating cars containing vegetable shipments?

Answer. To account No. 143, "Miscellaneous."

CASE 153.

Query. In what accounts shall be included the revenues and expenses of stock pens at stations, maintained for the feeding, watering, and resting of stock in transit, as required by law?

Answer. The revenue shall be credited to account No. 143, "Miscellaneous"; the expenses of maintenance shall be charged to account No. 227, "Station and office buildings"; and the expenses of operation shall be charged as may be appropriate to account No. 373, "Station employees," or to account No. 376, "Station supplies and expenses."

CASE 154.

Query. To what account shall be credited the revenue, derived under specific tariff rates, from transferring freight from narrow to standard gauge cars?

Answer. To account No. 143, "Miscellaneous."

CASE 155.

Query. What is the correct accounting for the revenues and expenses of coal wharves used for transferring coal from cars to boats, the revenue being derived from operations such as lifting coal from vessels, placing coal in cars, placing coal on wharves for storage and later loading into cars, and from charges for storage on wharves? This revenue is based upon specific charges. The service is not provided for in the tariff rates for the transportation of coal.

Answer. The revenue derived from storage shall be included in account No. 135, "Storage—Freight," and the remainder shall be included in account No. 143, "Miscellaneous." The cost of maintaining the wharves shall be included in account No. 243, "Coal and ore wharves," and the expense of operating them shall be included in account No. 375, "Coal and ore wharves."

CASE 156.

Query. A steam railroad company operates a street car line. What is the correct accounting for the revenues and expenses of the service?

Answer. The revenues from transportation service shall be included in the appropriate primary accounts under general account I, Transportation—Rail Line; the incidental revenue in the primary accounts under general account III, Incidental.

The expenses of operation shall be included in the appropriate primary accounts under general accounts I, Maintenance of Way and Structures; II, Maintenance of Equipment; III, Traffic; IV, Transportation—Rail Line; and VII, General.

If the carrier desires to determine the revenues and expenses of the specific operation, subprimary accounts may be set up in accordance with the order promulgating the Classification of Operating Revenues and Operating Expenses.

CASE 157.

Query. To what account shall be charged the cost of repainting switch stands and repairing bumping posts?

Answer. To account No. 216, "Other track material."

CASE 158.

Query. Road A maintains and operates a water station. Water is supplied from this station to A's train locomotives and to the train locomotives of Road B. B operates jointly with A a portion of A's tracks, and reimburses A upon a train-mile basis for a portion of the cost of maintaining and operating the water station. What is the correct accounting for the expenses of maintaining and operating this station?

Answer. A shall charge the entire cost of maintenance to account No. 231, "Water stations." The portion of the maintenance expenses borne by B shall be included in the accounts for maintaining joint tracks, yards, and other facilities. Each road shall charge its proportion of the expenses of operating the station to account No. 397, "Water for train locomotives." A has the option of including the total expense of operation in a clearing account or of clearing B's proportion of the expenses of operation through account No. 397, "Water for train locomotives."

CASE 159.

Query. To what account shall be charged expenses on account of personal injuries which a storehouse employee suffered while engaged in unloading a carload of lumber?

Answer. In case the lumber which was being unloaded was for maintenance of way and structures, the expense shall be charged to account No. 274, "Injuries to persons"; if for maintenance of equipment, the charge shall be to account No. 332, "Injuries to persons"; if for temporary grain doors, dunnage boards, sugar strips, etc., charge to account No. 420, "Injuries to persons."

CASE 160.

Query. To what account shall be charged insurance premiums and taxes on storehouse material stock?

Answer. Premiums for insuring maintenance-of-way material stock shall be included in account No. 275, "Insurance," and those for maintenance-of-equipment material stock to account No. 333, "Insurance." In case the premiums are for insuring general store material stock which is designed both for maintenance of way and structures and for maintenance of equipment the premium shall be equitably apportioned between the above-mentioned accounts. Taxes upon store material stock shall be included in account No. 532, "Railway tax accruals."

CASE 161.

Query. To what accounts shall be credited amounts received by a carrier for cleaning and oiling the passenger cars of a tenant company?

Answer. To the accounts to which were originally charged the cost of the labor expended and the material consumed in the work. (See Case 53.)

CASE 162.

Query. The amount received by a carrier in settlement under Master Car Builders' Association rules for one of its cars which was destroyed upon a foreign line was in excess of the original cost of the car. To what account shall the profit be credited?

Answer. To the appropriate equipment retirement account.

CASE 163.

Query. To what account shall be charged the wages of timekeepers who keep the time of shop employees and make up shop pay rolls and miscellaneous statements in connection therewith?

Answer. To account No. 301, "Superintendence."

CASE 164.

Query. To what account shall be charged the cost of repairs and renewals of tableware, silverware, linen, and kitchen utensils in dining cars?

Answer. To account No. 317, "Passenger-train cars—Repairs." (See Case 140.)

CASE 165.

Query. When ice, water, fuel, and lubricating material are supplied to sleeping cars which operate over a carrier's line and the cost of the material is borne by the carrier, to what account shall be charged the expense?

Answer. To account No. 402, "Train supplies and expenses."

CASE 166.

Query. To what account shall be charged a station agent's shortage in excess of the surety bond?

Answer. To account No. 411, "Other expenses."

CASE 167.

Query. It is provided in account No. 388, "Enginehouse expenses—Yard," that in this account shall be included the expense of calling yard enginemen. Shall the expense of calling train enginemen be included in account No. 400, "Enginehouse expenses—Train"?

Answer. It shall be so included.

CASE 168.

Query. In what account shall be included the cost of renewing equipment such as tableware, table linen, kitchen utensils, and bedding, and cost of repairing furniture in hotels and restaurants the revenue from which is includible in account No. 132, "Hotel and restaurant"?

Answer. Such expenses shall be considered, as heretofore, running expenses, and shall be charged to account No. 442, "Hotels and restaurants."

CASE 169.

Query. To what accounts shall be charged plaintiff's court costs and also the carrier's own court costs in connection with personal injury cases, when such expenses are borne by the carrier?

Answer. The plaintiff's court costs shall be charged to the appropriate accounts for injuries to persons. The carrier's court costs shall be charged to account No. 454, "Law expenses."

CASE 170.

Query. To what account shall be charged fees to physicians for the physical examination of (a) employees, and (b) applicants for employment?

Answer. (a) To the account to which the pay of the employee is chargeable, except when otherwise provided; (b) to the account to which the pay of the applicant would be chargeable if employed, except when otherwise provided.

CASE 171.

Query. When such costs are borne by the carriers, to what account shall be charged the cost of internal-revenue stamps required under the act entitled "An act to increase the internal revenue and for other purposes," approved on October 22, 1914?

Answer. The cost of such stamps for use in connection with operation shall be considered as taxes. When required in connection with construction projects, the cost shall be appropriately included in the road and equipment accounts. If in connection with the issuance of evidences of debt, it shall be accounted for as debt expense.

CASE 172.

Query. When equipment-trust certificates which mature serially are sold in one lot at a flat discount rate upon their entire par value, how shall the discount be amortized?

Answer. The discount and expense shall be amortized through charges to Income, in such manner that the ratio between the amortization charges and the principal of the equipment-trust certificates outstanding will be uniform for all fiscal periods.

For example: A company issues five equipment-trust certificates, one certificate maturing each year. The debt discount and expense is \$450. The distribution of the discount and expense should be as follows:

First year, principal outstanding \$5,000....	amortization charge (rate 3 per cent)	\$150
Second year, principal outstanding \$4,000..	amortization charge (rate 3 per cent)	120
Third year, principal outstanding \$3,000...	amortization charge (rate 3 per cent)	90
Fourth year, principal outstanding \$2,000...	amortization charge (rate 3 per cent)	60
Fifth year, principal outstanding \$1,000...	amortization charge (rate 3 per cent)	30

CASE 173.

Query. To what account shall be charged special assessments for construction and maintenance of sewers adjacent to property the cost of which is includible in balance-sheet account No. 705, "Miscellaneous physical property"?

Answer. Assessments for the construction of such sewers shall be included in account No. 705, "Miscellaneous physical property," and those for maintenance in account No. 534, "Expenses of miscellaneous operations," provided the property is operated by the carrier; otherwise to account No. 511, "Miscellaneous nonoperating physical property."

CASE 174.

Query. A carrier borrowed equipment from a foreign line. To what account shall it charge amounts which it pays the foreign line for transporting the equipment to its line?

Answer. To the appropriate income account "Rent for equipment." (See Case 73.)

CASE 175.

Query. To what account shall be charged the rent paid for work equipment used by a carrier in maintenance of way and structures?

Answer. To account No. 540, "Rent for work equipment." Rents paid or received for work or other equipment used in operation are income items. (See section 2 of the general instructions for the Classification of Income, Profit and Loss, and General Balance Sheet Accounts.)

CASE 176.

Query. Under the condition that the expenses of maintaining equipment are borne jointly by all users of a joint terminal, how shall a carrier account for amounts received in reimbursement of taxes upon equipment used in the operation of the terminal?

Answer. When the taxes are inseparable from other taxes the amount received in reimbursement therefor shall be credited by the operating company to the appropriate account for rent from equipment. In case they are separable, the credit shall be to account No. 508, "Joint facility rent income." Correspondingly the debtor company shall charge these amounts to the appropriate account for rent for equipment or to account No. 541, "Joint facility rents," as may be appropriate.

CASE 177.

Query. When a carrier's funds are expended for construction purposes and interest charges are made to Road and Equipment under the provisions of account No. 76, "Interest during construction," to what accounts shall such interest be credited?

Answer. To account No. 515, "Income from unfunded securities and accounts."

CASE 178.

Query. A carrier's fiscal year ends on December 31. In the early part of the calendar year the carrier issues short-term notes at a discount. How shall such discount be accounted for?

Answer. The carrier's accounts shall be kept in such manner that in its annual report to the Commission the discount assignable to the period before July 1 shall be charged to income account No. 547, "Interest on unfunded debt." The amount thus assignable may be, at the carrier's option, either the entire discount or an amount proportionate to the life of the notes up to July 1.

CASE 179.

Query. To what account shall be charged interest paid on deferred taxes?

Answer. To account No. 547, "Interest on unfunded debt."

CASE 180.

Query. The capital stock of a terminal company is owned in equal proportions by the tenant companies which jointly use the terminal. The net income of the terminal company each year is distributed equally between the tenant lines. What is the correct accounting for the amounts thus distributed?

Answer. Under the conditions stated the division of this income is in substance the issue of a dividend upon stocks owned by the proprietary companies, and shall be charged by the terminal company to account No. 553, "Dividend appropriations of income."

CASE 181.

Query. Under the terms of a contract for purchase of equipment the carrier is required to deposit with the trustees all amounts collected from insurance companies on trust equipment destroyed by fire, such amounts to be held by them until the property is replaced. In what account shall these deposits be carried?

Answer. The character of the deposits indicates the propriety of their inclusion in the group of balance-sheet accounts designated as "Investments." Such deposits shall therefore be charged to account No. 704, "Deposits in lieu of mortgaged property sold."

CASE 182.

Query. Are the provisions of account No. 726, "Property abandoned chargeable to operating expenses," applicable in the accounting for amounts chargeable to Operating Expenses in connection with the retirement of equipment?

Answer. They are not applicable.

CASE 183.

Query. What is the correct accounting for a carrier's investment in a spur track to an industry when the cost of ties in and grading for the tracks is borne by the industry?

Answer. If constructed upon the property of the carrier, the entire cost of the tracks shall be included in the carrier's road and equipment accounts, and the cost of the ties and grading assumed by the industry shall be included in account No. 778, "Other unadjusted credits," or in account No. 606, "Donations," as may be appropriate. Amounts thus credited to account No. 606, "Donations," shall correspondingly be charged to account No. 615, "Surplus appropriated for investment in physical property," and concurrently credited to account No. 779, "Additions to property through income and surplus."

If constructed upon the land of the industry, only the portion of the cost which is borne by the carrier shall be included in its road and equipment accounts. (*See paragraph 11, section 2, in the general instructions for road and equipment accounts.*)

CASE 184.

Query. Under the provisions of paragraph 8, section 1, of the special instructions for the classification of operating revenues, for convenience in accounting is it permissible for a carrier to include revenue overcharges, when discovered, in the agency accounts, and to clear the unrefunded items to account No. 778, "Other unadjusted credits."

Answer. Overcharges may be temporarily carried in the agency accounts, provided they are transferred to account No. 778, "Other unadjusted credits," if unrefunded at the end of 60 days.

CASE 185.

Query. To what account shall be charged the cost of ties used in the construction of pit cattle guards?

Answer. If crossties directly supporting the rails, the charge shall be to account No. 8, "Ties." Otherwise the charge shall be to account No. 13, "Right-of-way fences."

CASE 186.

Query. In connection with the elimination of grade crossings a carrier purchases land immediately outside its right of way to provide slopes in a highway. How shall the cost of this land be accounted for—

(a) When the carrier retains title to the land, and

(b) When the carrier relinquishes the title to the land to the municipality?

Answer. The cost shall be charged—

(a) To account No. 2, "Land for transportation purposes."

(b) To account No. 15, "Crossings and signs." (*See Case 100.*)

CASE 187.

Query. To prevent another railroad from crossing its tracks at grade a carrier contributes an amount toward the cost of constructing the crossing of the other railroad above the grade of its own tracks. To what account shall be charged the amount of this contribution?

Answer. The amount of the contribution shall be charged by the carrier to account No. 15, "Crossings and signs."

CASE 188.

Query. To what account shall be charged the cost of a gasoline storage plant consisting of a storage tank and pump? The gasoline is for use in motor cars.

Answer. To account No. 20, "Shops and enginehouses."

CASE 189.

Query. To what account shall be charged the cost of a water pipe line constructed from shop water-supply system to passenger-car yards, for conveying water for car cleaning and for filling water tanks in passenger cars?

Answer. To account No. 20, "Shops and enginehouses."

CASE 190.

Query. In what accounts shall be classed a carrier's investment in railway material storehouses?

Answer. If the storehouses are located at shops and are devoted to the storage of material for maintenance of way and structures and for maintenance of equipment, the investment shall be included in account No. 20, "Shops and enginehouses." If not thus located, when devoted to the storage of material for maintenance of way and structures the investment shall be included in account No. 17, "Roadway buildings"; and when devoted to the storage of material and supplies for general purposes the investment shall be included in account No. 35, "Miscellaneous structures." If located at division or line terminal stations and devoted to the storage of station and train supplies the investment shall be included in account No. 16, "Station and office buildings."

CASE 191.

Query. A carrier purchases a number of section motor cars to replace handcars. Handcars are not included in its property investment accounts. To what account shall the motor cars be charged?

Answer. To account No. 37, "Roadway machines."

CASE 192.

Query. To what account shall be charged the cost of a ditching machine which is ordinarily operated while temporarily mounted upon a flat car?

Answer. To account No. 37, "Roadway machines."

CASE 193.

Query. To what account shall be charged the initial equipment of locomotives and cabooses with wrecking frogs when their installation is under a general plan?

Answer. To account No. 51, "Steam locomotives," and No. 53, "Freight-train cars," respectively.

CASE 194.

Query. To what account shall be charged the cost of medical services rendered for an employee injured while engaged in the construction of a new road?

Answer. To the account chargeable with the cost of the work in connection with which the employee was injured.

CASE 195.

Query. To what account shall be charged the cost of a law library installed by an operating carrier?

Answer. To account No. 16, "Station and office buildings."

CASE 196.

Query. To what account shall be charged amounts paid to trust companies for the registration and transfer of capital stock?

Answer. Payments in connection with the issue of capital stock are provided for in account No. 71, "Organization expenses." Payments in connection with the transfer of capital stock shall be included in account No. 460, "Other expenses."

CASE 197.

Query. What should be the accounting, under the provisions of Conference Ruling No. 87, for tariff charges for transportation over the carrier's own line of kitchen utensils, food, and other supplies for hotels and restaurants which serve the general public, the revenue from which is creditable to account No. 132, "Hotel and restaurant."

Answer. The revenue from such charges shall be credited to the revenue account appropriate for the service, and concurrently charged to expense account No. 442, "Hotels and restaurants."

CASE 198.

Query. Road A purchases fuel supply coal f. o. b. mines, which are located on Road B. B charges \$1.10 per ton for transporting the coal to A's line, absorbing a charge of \$2 per car for interchange switching service rendered by A. The mining company prepays B's freight charges and includes them in a specific charge against A. How shall A account for these freight charges?

Answer. A shall include in the cost of the coal the freight charges, less the switching charges absorbed. The switching charges shall be charged to account No. 110, "Switching."

CASE 199.

Query. One of a carrier's terminals is jointly operated for the benefit of its own business and that of a connecting line. Shall the amounts charged the tenant company for rent of locomotives used in the operation of the joint terminal be considered as a joint facility item and included by the lessor in account No. 508, "Joint facility rent income," or shall the item be considered as a hire of equipment item, and included in account No. 504, "Rent from locomotives"?

Answer. It shall be included in account No. 504, "Rent from locomotives."

CASE 200.

Query. How shall be classified the train-miles of a gasoline-electric motor combination freight and passenger car which transports passengers and less-than-carload freight?

Answer. In account No. 803, "Mixed-train miles."

CASE 201.

Query. A carrier owns a piece of real estate, the cost of which is included in account No. 705, "Miscellaneous physical property." The right to remove sand and gravel from this property is leased. To what account shall the carrier credit the compensation received under the lease?

Answer. Such portion of the amount received as represents the depletion in the value of the property due to the removal of the sand and gravel shall be credited to the investment account, and the remainder shall be credited to income account No. 511, "Miscellaneous nonoperating physical property."

CASE 202.

Query. The accounting for small items of overcharges on freight shipments which are found to be unrefundable involves a considerable refinement in accounting. Is it permissible to carry these items in the revenue accounts until refund is actually made?

Answer. Revenue overcharges amounting to one dollar or less on any one shipment may be carried in the freight revenue accounts until refunded.

CASE 203.

Query. Under the effective classification is it intended that the cost of repairs and renewals of switch lamps shall be included in account No. 389, "Yard supplies and expenses"?

Answer. It is the intent of the classification that only the cost of switch lamp supplies, such as oil, wicks, etc., shall be included in this account. The cost of repairs and renewals of switch lamps is provided for in account No. 216, "Other track material."

INDEX BY ACCOUNTS.

ROAD AND EQUIPMENT.

Road and equipment accounts—	Case.
for building investment.....	89, 109, 141
for construction labor.....	21, 40, 64, 170, 194
for construction material.....	43, 108, 128
for land investment.....	136
for line investment.....	102, 103, 106
for realty investment.....	104
for taxes.....	171
for track construction.....	75, 183
in general.....	1, 4, 78
Road:	
2. Land for transportation purposes.....	100, 101, 105, 142, 186
8. Ties.....	185
13. Right-of-way fences.....	185
15. Crossings and signs.....	186, 187
16. Station and office buildings.....	190, 195
17. Roadway buildings.....	40, 190
20. Shops and enginehouses.....	112, 188, 189, 190
26. Telegraph and telephone lines.....	107
35. Miscellaneous structures.....	142, 190
37. Roadway machines.....	191, 192
Equipment.....	59, 76, 89
51. Steam locomotives.....	193
53. Freight-train cars.....	40, 59, 193
54. Passenger-train cars.....	140
General expenditures:	
71. Organization expenses.....	196
74. Law.....	141
76. Interest during construction.....	177

OPERATING REVENUES.

Operating revenue accounts—	
for freight revenue.....	202
for passenger revenue.....	113
for transportation of supplies.....	197
for water transfers.....	148
in general.....	1, 23, 51, 57, 65
Transportation—Rail line.....	
101. Freight.....	61, 143, 144
102. Passenger.....	46, 146
103. Excess baggage.....	144
108. Other passenger-train.....	144
110. Switching.....	14, 27, 198
111. Special service train.....	24
Incidental.....	156
131. Dining and buffet.....	58
132. Hotel and restaurant.....	151
135. Storage—Freight.....	155
141. Power.....	150
142. Rents of buildings and other property.....	65, 70, 94, 150
143. Miscellaneous.....	9, 35, 73, 79, 147, 152, 153, 154, 155

OPERATING EXPENSES.

Operating expense accounts—	
for car cleaning and oiling.....	53, 161
for dining-car line.....	58
for equipment depreciation.....	76
for equipment repairs.....	5, 36, 111, 132

Operating expense accounts—Continued.

	Cases.
for equipment retirement.....	162
for expense due to accidents.....	42
for expense involving material and supply costs.....	2, 17, 42, 43, 52, 53, 55, 71, 91, 120, 132, 198
for expense involving pay-roll items.....	21, 42, 52, 53, 73, 130, 132, 170
for freight transfer.....	14
for injuries of persons.....	42, 169
for joint facility expense.....	3, 9, 18, 23, 28, 56, 61, 66, 92, 94, 95, 158
for joint office expense.....	130
for maintenance of leased property.....	51, 82
for maintenance of track.....	18, 28
for operation of leased property.....	51, 82
for operation of line.....	55
for operation of terminal.....	95
for operation of track.....	18, 28
for salaries of officers.....	120
for shop replacement.....	80
for switching service.....	93
for track depreciation.....	75
for train service.....	7, 31, 97
for work done for others.....	25
for work requiring foundry castings.....	128
for yard service.....	7, 96, 97
in general.....	1, 50, 51, 57, 65
Clearing accounts—	
for fuel-station operation.....	54
for material store expenses.....	6
for shop operation.....	20, 131
for water-station operation.....	158
Maintenance of way and structures.....	4, 156
201. Superintendence.....	10
202. Roadway maintenance.....	71
208. Bridges, trestles, and culverts.....	62
216. Other track material.....	157, 203
227. Station and office buildings.....	153
229. Roadway buildings.....	65
231. Water stations.....	158
243. Coal and ore wharves.....	155
247. Telegraph and telephone lines.....	107
274. Injuries to persons.....	19, 110, 159
275. Insurance.....	160
277. Other expenses.....	88
279. Maintaining joint tracks, yards, and other facilities—Cr.....	28, 45
Maintenance of equipment.....	77, 156
301. Superintendence.....	10, 163
302. Shop machinery.....	131
315. Freight-train cars—Depreciation.....	118
316. Freight-train cars—Retirements.....	59
317. Passenger-train cars—Repairs.....	164
332. Injuries to persons.....	159
333. Insurance.....	160
336. Maintaining joint equipment at terminals—Dr.....	72
337. Maintaining joint equipment at terminals—Cr.....	72
Traffic.....	156
351. Superintendence.....	10
353. Advertising.....	81
356. Industrial and immigration bureaus.....	121
Transportation—Rail line.....	77, 156
371. Superintendence.....	10, 22
372. Dispatching trains.....	122
373. Station employees.....	22, 91, 114, 115, 153
375. Coal and ore wharves.....	155
376. Station supplies and expenses.....	15, 126, 153
382. Fuel for yard locomotives.....	12, 54
383. Enginehouse expenses—Yard.....	52, 167
389. Yard supplies and expenses.....	208
390. Operating joint yards and terminals—Dr.....	52, 54, 67
391. Operating joint yards and terminals—Cr.....	28, 41, 45, 52, 54, 67

Transportation—Rail line—Continued.

Case.

393. Train motormen.....	8
394. Fuel for train locomotives.....	12, 54
397. Water for train locomotives.....	158
400. Enginehouse expenses—Train.....	52, 167
402. Train supplies and expenses.....	8, 9, 85, 91, 133, 165
405. Crossing protection.....	67
411. Other expenses.....	84, 166
412. Operating joint tracks and facilities—Dr.....	67
413. Operating joint tracks and facilities—Cr.....	28, 41, 67
415. Clearing wrecks.....	125
416. Damage to property.....	4, 63
418. Loss and damage—Freight.....	30, 32
420. Injuries to persons.....	119, 159

Miscellaneous operations:

442. Hotels and restaurants.....	151, 168, 197
----------------------------------	---------------

General.....

451. Salaries and expenses of general officers.....	10, 22, 145
452. Salaries and expenses of clerks and attendants.....	145
453. General office supplies and expenses.....	145
454. Law expenses.....	134, 169
457. Pensions.....	34
458. Stationery and printing.....	145
460. Other expenses.....	32, 39, 127, 196
461. General joint facilities—Dr.....	28
462. General joint facilities—Cr.....	28

INCOME ACCOUNTS.

Income accounts—

for amortization of discount.....	172
for equipment rent.....	31, 44, 77, 84, 93, 174, 176
for hire of equipment.....	26, 116
for interest payable.....	43
for joint facility rents.....	9, 18, 23, 28, 45, 46, 92
for lease of road.....	33, 139
for locomotive rent.....	30, 72
for taxes.....	171
in general.....	1

Credit accounts:

503. Hire of freight cars—Credit balance.....	14, 29, 123
504. Rent from locomotives.....	135, 199
505. Rent from passenger-train cars.....	58
508. Joint facility rent income.....	3, 28, 45, 46, 56, 94, 95, 176, 199
509. Income from lease of road.....	51, 82
510. Miscellaneous rent income.....	149
511. Miscellaneous nonoperating physical property.....	173, 201
515. Income from unfunded securities and accounts.....	177
519. Miscellaneous income.....	13

Debit accounts:

532. Railway tax accruals.....	3, 82, 138, 160
533. Uncollectible railway revenue.....	86
534. Expenses of miscellaneous operations.....	173
536. Hire of freight cars—Debit balance.....	29, 84, 118
538. Rent for passenger-train cars.....	58
540. Rent for work equipment.....	175
541. Joint facility rents.....	3, 46, 176
542. Rent for leased roads.....	51, 82
547. Interest on unfunded debt.....	32, 80, 137, 178, 179
551. Miscellaneous income charges.....	99
552. Income applied to sinking and other reserve funds.....	34
553. Dividend appropriations of income.....	180

PROFIT AND LOSS.

Profit and loss accounts—

for abandoned construction projects.....	60
for depreciation before July 1, 1907.....	76
for profit from property sales.....	102, 103
for retirements of property.....	69
in general.....	1

CASE 170.

Query. To what account shall be charged fees to physicians for the physical examination of (a) employees, and (b) applicants for employment?

Answer. (a) To the account to which the pay of the employee is chargeable, except when otherwise provided; (b) to the account to which the pay of the applicant would be chargeable if employed, except when otherwise provided.

CASE 171.

Query. When such costs are borne by the carriers, to what account shall be charged the cost of internal-revenue stamps required under the act entitled "An act to increase the internal revenue and for other purposes," approved on October 22, 1914?

Answer. The cost of such stamps for use in connection with operation shall be considered as taxes. When required in connection with construction projects, the cost shall be appropriately included in the road and equipment accounts. If in connection with the issuance of evidences of debt, it shall be accounted for as debt expense.

CASE 172.

Query. When equipment-trust certificates which mature serially are sold in one lot at a flat discount rate upon their entire par value, how shall the discount be amortized?

Answer. The discount and expense shall be amortized through charges to Income, in such manner that the ratio between the amortization charges and the principal of the equipment-trust certificates outstanding will be uniform for all fiscal periods.

For example: A company issues five equipment-trust certificates, one certificate maturing each year. The debt discount and expense is \$450. The distribution of the discount and expense should be as follows:

First year, principal outstanding \$5,000....	amortization charge (rate 3 per cent)	\$150
Second year, principal outstanding \$4,000..	amortization charge (rate 3 per cent)	120
Third year, principal outstanding \$3,000...	amortization charge (rate 3 per cent)	90
Fourth year, principal outstanding \$2,000...	amortization charge (rate 3 per cent)	60
Fifth year, principal outstanding \$1,000...	amortization charge (rate 3 per cent)	30

CASE 173.

Query. To what account shall be charged special assessments for construction and maintenance of sewers adjacent to property the cost of which is includible in balance-sheet account No. 705, "Miscellaneous physical property"?

Answer. Assessments for the construction of such sewers shall be included in account No. 705, "Miscellaneous physical property," and those for maintenance in account No. 534, "Expenses of miscellaneous operations," provided the property is operated by the carrier; otherwise to account No. 511, "Miscellaneous nonoperating physical property."

CASE 174.

Query. A carrier borrowed equipment from a foreign line. To what account shall it charge amounts which it pays the foreign line for transporting the equipment to its line?

Answer. To the appropriate income account "Rent for equipment." (See Case 73.)

CASE 175.

Query. To what account shall be charged the rent paid for work equipment used by a carrier in maintenance of way and structures?

Answer. To account No. 540, "Rent for work equipment." Rents paid or received for work or other equipment used in operation are income items. (See section 2 of the general instructions for the Classification of Income, Profit and Loss, and General Balance Sheet Accounts.)

CASE 176.

Query. Under the condition that the expenses of maintaining equipment are borne jointly by all users of a joint terminal, how shall a carrier account for amounts received in reimbursement of taxes upon equipment used in the operation of the terminal?

Answer. When the taxes are inseparable from other taxes the amount received in reimbursement therefor shall be credited by the operating company to the appropriate account for rent from equipment. In case they are separable, the credit shall be to account No. 508, "Joint facility rent income." Correspondingly the debtor company shall charge these amounts to the appropriate account for rent for equipment or to account No. 541, "Joint facility rents," as may be appropriate.

CASE 177.

Query. When a carrier's funds are expended for construction purposes and interest charges are made to Road and Equipment under the provisions of account No. 76, "Interest during construction," to what accounts shall such interest be credited?

Answer. To account No. 515, "Income from unfunded securities and accounts."

CASE 178.

Query. A carrier's fiscal year ends on December 31. In the early part of the calendar year the carrier issues short-term notes at a discount. How shall such discount be accounted for?

Answer. The carrier's accounts shall be kept in such manner that in its annual report to the Commission the discount assignable to the period before July 1 shall be charged to income account No. 547, "Interest on unfunded debt." The amount thus assignable may be, at the carrier's option, either the entire discount or an amount proportionate to the life of the notes up to July 1.

CASE 179.

Query. To what account shall be charged interest paid on deferred taxes?

Answer. To account No. 547, "Interest on unfunded debt."

CASE 180.

Query. The capital stock of a terminal company is owned in equal proportions by the tenant companies which jointly use the terminal. The net income of the terminal company each year is distributed equally between the tenant lines. What is the correct accounting for the amounts thus distributed?

Answer. Under the conditions stated the division of this income is in substance the issue of a dividend upon stocks owned by the proprietary companies, and shall be charged by the terminal company to account No. 553, "Dividend appropriations of income."

CASE 181.

Query. Under the terms of a contract for purchase of equipment the carrier is required to deposit with the trustees all amounts collected from insurance companies on trust equipment destroyed by fire, such amounts to be held by them until the property is replaced. In what account shall these deposits be carried?

Answer. The character of the deposits indicates the propriety of their inclusion in the group of balance-sheet accounts designated as "Investments." Such deposits shall therefore be charged to account No. 704, "Deposits in lieu of mortgaged property sold."

CASE 182.

Query. Are the provisions of account No. 726, "Property abandoned chargeable to operating expenses," applicable in the accounting for amounts chargeable to Operating Expenses in connection with the retirement of equipment?

Answer. They are not applicable.

CASE 183.

Query. What is the correct accounting for a carrier's investment in a spur track to an industry when the cost of ties in and grading for the tracks is borne by the industry?

Answer. If constructed upon the property of the carrier, the entire cost of the tracks shall be included in the carrier's road and equipment accounts, and the cost of the ties and grading assumed by the industry shall be included in account No. 778, "Other unadjusted credits," or in account No. 606, "Donations," as may be appropriate. Amounts thus credited to account No. 606, "Donations," shall correspondingly be charged to account No. 615, "Surplus appropriated for investment in physical property," and concurrently credited to account No. 779, "Additions to property through income and surplus."

If constructed upon the land of the industry, only the portion of the cost which is borne by the carrier shall be included in its road and equipment accounts. (*See paragraph 11, section 2, in the general instructions for road and equipment accounts.*)

CASE 184.

Query. Under the provisions of paragraph 8, section 1, of the special instructions for the classification of operating revenues, for convenience in accounting is it permissible for a carrier to include revenue overcharges, when discovered, in the agency accounts, and to clear the unrefunded items to account No. 778, "Other unadjusted credits."

Answer. Overcharges may be temporarily carried in the agency accounts, provided they are transferred to account No. 778, "Other unadjusted credits," if unrefunded at the end of 60 days.

CASE 185.

Query. To what account shall be charged the cost of ties used in the construction of pit cattle guards?

Answer. If cross-ties directly supporting the rails, the charge shall be to account No. 8, "Ties." Otherwise the charge shall be to account No. 13, "Right-of-way fences."

CASE 186.

Query. In connection with the elimination of grade crossings a carrier purchases land immediately outside its right of way to provide slopes in a highway. How shall the cost of this land be accounted for—

- (a) When the carrier retains title to the land, and
- (b) When the carrier relinquishes the title to the land to the municipality?

Answer. The cost shall be charged—

- (a) To account No. 2, "Land for transportation purposes."
- (b) To account No. 15, "Crossings and signs." (*See Case 100.*)

CASE 187.

Query. To prevent another railroad from crossing its tracks at grade a carrier contributes an amount toward the cost of constructing the crossing of the other railroad above the grade of its own tracks. To what account shall be charged the amount of this contribution?

Answer. The amount of the contribution shall be charged by the carrier to account No. 15, "Crossings and signs."

CASE 188.

Query. To what account shall be charged the cost of a gasoline storage plant consisting of a storage tank and pump? The gasoline is for use in motor cars.

Answer. To account No. 20, "Shops and enginehouses."

CASE 189.

Query. To what account shall be charged the cost of a water pipe line constructed from shop water-supply system to passenger-car yards, for conveying water for car cleaning and for filling water tanks in passenger cars?

Answer. To account No. 20, "Shops and enginehouses."

CASE 190.

Query. In what accounts shall be classed a carrier's investment in railway material storehouses?

Answer. If the storehouses are located at shops and are devoted to the storage of material for maintenance of way and structures and for maintenance of equipment, the investment shall be included in account No. 20, "Shops and enginehouses." If not thus located, when devoted to the storage of material for maintenance of way and structures the investment shall be included in account No. 17, "Roadway buildings"; and when devoted to the storage of material and supplies for general purposes the investment shall be included in account No. 35, "Miscellaneous structures." If located at division or line terminal stations and devoted to the storage of station and train supplies the investment shall be included in account No. 16, "Station and office buildings."

CASE 191.

Query. A carrier purchases a number of section motor cars to replace handcars. Handcars are not included in its property investment accounts. To what account shall the motor cars be charged?

Answer. To account No. 37, "Roadway machines."

CASE 192.

Query. To what account shall be charged the cost of a ditching machine which is ordinarily operated while temporarily mounted upon a flat car?

Answer. To account No. 37, "Roadway machines."

CASE 193.

Query. To what account shall be charged the initial equipment of locomotives and cabooses with wrecking frogs when their installation is under a general plan?

Answer. To account No. 51, "Steam locomotives," and No. 53, "Freight-train cars," respectively.

CASE 194.

Query. To what account shall be charged the cost of medical services rendered for an employee injured while engaged in the construction of a new road?

Answer. To the account chargeable with the cost of the work in connection with which the employee was injured.

CASE 195.

Query. To what account shall be charged the cost of a law library installed by an operating carrier?

Answer. To account No. 16, "Station and office buildings."

CASE 196.

Query. To what account shall be charged amounts paid to trust companies for the registration and transfer of capital stock?

Answer. Payments in connection with the issue of capital stock are provided for in account No. 71, "Organization expenses." Payments in connection with the transfer of capital stock shall be included in account No. 460, "Other expenses."

CASE 197.

Query. What should be the accounting, under the provisions of Conference Ruling No. 87, for tariff charges for transportation over the carrier's own line of kitchen utensils, food, and other supplies for hotels and restaurants which serve the general public, the revenue from which is creditable to account No. 132, "Hotel and restaurant."

Answer. The revenue from such charges shall be credited to the revenue account appropriate for the service, and concurrently charged to expense account No. 442, "Hotels and restaurants."

CASE 198.

Query. Road A purchases fuel supply coal f. o. b. mines, which are located on Road B. B charges \$1.10 per ton for transporting the coal to A's line, absorbing a charge of \$2 per car for interchange switching service rendered by A. The mining company prepays B's freight charges and includes them in a specific charge against A. How shall A account for these freight charges?

Answer. A shall include in the cost of the coal the freight charges, less the switching charges absorbed. The switching charges shall be charged to account No. 110, "Switching."

CASE 199.

Query. One of a carrier's terminals is jointly operated for the benefit of its own business and that of a connecting line. Shall the amounts charged the tenant company for rent of locomotives used in the operation of the joint terminal be considered as a joint facility item and included by the lessor in account No. 508, "Joint facility rent income," or shall the item be considered as a hire of equipment item, and included in account No. 504, "Rent from locomotives"?

Answer. It shall be included in account No. 504, "Rent from locomotives."

CASE 200.

Query. How shall be classified the train-miles of a gasoline-electric motor combination freight and passenger car which transports passengers and less-than-carload freight?

Answer. In account No. 803, "Mixed-train miles."

CASE 201.

Query. A carrier owns a piece of real estate, the cost of which is included in account No. 705, "Miscellaneous physical property." The right to remove sand and gravel from this property is leased. To what account shall the carrier credit the compensation received under the lease?

Answer. Such portion of the amount received as represents the depletion in the value of the property due to the removal of the sand and gravel shall be credited to the investment account, and the remainder shall be credited to income account No. 511, "Miscellaneous nonoperating physical property."

CASE 202.

Query. The accounting for small items of overcharges on freight shipments which are found to be unrefundable involves a considerable refinement in accounting. Is it permissible to carry these items in the revenue accounts until refund is actually made?

Answer. Revenue overcharges amounting to one dollar or less on any one shipment may be carried in the freight revenue accounts until refunded.

CASE 203.

Query. Under the effective classification is it intended that the cost of repairs and renewals of switch lamps shall be included in account No. 389, "Yard supplies and expenses"?

Answer. It is the intent of the classification that only the cost of switch lamp supplies, such as oil, wicks, etc., shall be included in this account. The cost of repairs and renewals of switch lamps is provided for in account No. 216, "Other track material."

	Com.
Hire of equipment used under alternate switching arrangement.....	93
of freight cars detained by customs authorities at border.....	84
of freight cars held under lease from industrial owner.....	118
of freight cars received on demurrage basis.....	116
of freight cars transporting company fuel, impropriety of charges for.....	123
of freight cars used in transferring loadings of cars.....	14
(See also <i>Rent</i> .)	
Hotel service conducted for employees.....	151
Hotels, equipment for, repairs and renewals of.....	168
equipment for, transportation charges on.....	197
supplies for, transportation charges on.....	197
Houses. (See <i>Buildings</i> .)	
I.	
Ice cost, inclusion of ice-house cleaning expense in.....	91
furnished for leased restaurant service.....	15
furnished to cars of another carrier.....	53
furnished to sleeping cars operated over carrier's line.....	165
Ice houses, inclusion of cleaning of, in costs of ice.....	91
Improved device for equipment, installation expense for.....	111
Industries, freight cars leased by carrier from, payments for.....	118
locomotives leased to, with supplies furnished, credits for.....	136
log trains operated over carrier's line by, mileage of.....	49
special train run by carrier for promotion of.....	121
spur track constructed to, contributions to carrier for.....	183
temporary tracks constructed to, investment in.....	75
Injuries in connection with operation of joint facilities.....	42, 66
to dining-car waiter employed on transportation train.....	119
to engineer of crane used in wharf improvement work.....	110
to persons, court costs incident to, when borne by carrier.....	160
to prospective passenger hurt by maintenance work train.....	19
to storehouse employee while unloading carrier's lumber.....	159
Inspectors, joint car, payments by carrier toward pay and expenses of.....	5
Insurance allowances in accounting for fire losses on property.....	89
premiums on storehouse material.....	169
recoveries deposited with trustees pending replacement.....	181
Interchange switching. (See <i>Switching</i> .)	
Interest on bills for material, income debits for payment of.....	43
on carrier's funds used in construction, credits for.....	177
on deferred taxes, income debits for payment of.....	179
on equipment-trust coupons matured, income debits for.....	137
on loss and damage claims, expense debits for.....	32
on terminal company bonds, proprietary companies' payments toward.....	96
on unfunded debt, discount debits to.....	178
on valuation, rent considered as.....	28
Interlocking plant operated as joint facility, repairs of damage to.....	63
Internal-revenue stamps required by Federal law.....	171
Interstate Commerce Commission, report of discount items to.....	178
Inventory basis, adjustment of equipment values to.....	76
adjustment of material accounts to.....	2, 74
Investment, advances includible in, when reimbursement is contingent.....	139
damages during construction assignable to.....	4
deposits includible in, when held pending replacement.....	181
Issue of stock, registration and transfer expense incident to.....	196
J.	
Joint car inspectors, carrier's proportion of pay and expenses of.....	5
drawbridge expense reimbursed by tenant companies.....	41
equipment, damage to, chargeable solely to tenant company at fault.....	122
equipment furnished by tenant company, compensation for.....	73
equipment, reimbursement of taxes on, by tenant companies.....	176
facilities, casualties at, distribution of extraordinary expenses for.....	66
facilities, damages at, chargeable to tenant company at fault.....	42, 63, 132
facilities used by tenant company not reporting to Commission.....	94
facilities used for turning locomotives, compensation for.....	9
freight houses, carrier's receipts from operation of.....	56
poles used by carrier and telephone company, rent from.....	70
terminal, carrier's expense for transfers of car loadings at.....	115

	Case.
Joint terminal, distribution of lump-sum receipts from operation of	45
terminal, reimbursement of expenses and fixed charges of, by proprietary companies.....	95
terminal, rent received from equipment used at.....	199
ticket agency, distribution of expense for.....	130
track maintenance billed against tenant companies.....	61
track operation by owning and tenant companies.....	18, 28, 46
track operation by tenant companies.....	3, 23
track rent from outside carrier, apportionment of.....	92
traffic expense accounts, reason for absence of.....	130
water station operated by owning company, distribution of expense for.....	158
yards, crossing flagmen at, pay of.....	67
yards, fuel station expense apportionable partly to.....	54
yards, enginehouse expense apportionable partly to.....	52
yards, hire of equipment used at, apportionment of.....	44
Judgment incurred in damage suit for false arrest.....	88
in Federal action for defective appliances.....	37
K.	
Kitchen utensils, investment in, for dining cars.....	140
renewals of, for hotels and restaurants.....	168
repairs and renewals of, for dining cars.....	164
transportation charges on, for hotels and restaurants.....	197
L.	
Labor for preparing cars of another carrier.....	53, 161
Lading of cars, transfers of.....	14, 115, 154
Lamps, switch, maintenance of and supplies for.....	203
Land investment for construction, rents payable and receivable prior to.....	136
for experimental farm.....	142
for grade slopes at undergrade and overgrade crossings.....	100
for highway slopes to avoid grade crossings.....	186
for relocation of public highway at bridge site.....	105
representing cost of relocating another carrier's track.....	101
(See also Options.)	
Law expense for court costs in injuries cases.....	169
expense for drafting and recording trackage agreement.....	134
library investment.....	195
requirements as to live stock, expense due to.....	90, 153
(See also Suit.)	
Leased bridge used by sole tenant carrier, accounting for.....	82
equipment belonging to industrial owner, payments for.....	118
land recovered by foreclosure, building acquired with.....	109
locomotives furnished with supplies by lessor, distribution of receipts from.....	135
offices surrendered by lessee, consideration received for.....	47
restaurant supplies furnished by lessor carrier.....	15
right-of-way building sublet by lessee, rent from.....	149
rights for removal of sand and gravel, receipts from.....	201
road operated by another carrier on basis of division of revenue.....	51
track additions by lessor, advances by lessee in aid of.....	139
track used by sole tenant carrier, rent accounting for.....	33
track used only by two tenant carriers, accounting for.....	3
yards used by sole tenant carrier, rent accounting for.....	33
(See also Joint, Lessee, Lessor, Rent.)	
Lessee accounting for advances to lessor with contingent reimbursement.....	139
for consideration received for surrender of office lease.....	47
for depreciation reimbursed to industrial owner of equipment.....	118
for maintenance of bridge leased from bridge company.....	82
for maintenance of track leased from another carrier.....	3, 51
for operation of bridge leased from bridge company.....	82
for operation of track leased from another carrier.....	51
for rent of bridge leased from bridge company.....	82
for rent of dwelling sublet by lessee.....	149
for rent of equipment leased from an industry.....	118
for rent of track leased from another carrier.....	3, 33, 51
for rent of yards leased from another carrier.....	33
for revenue from operation on tracks leased from another carrier.....	51
for taxes on tracks leased from another carrier.....	3
(See also Joint, Leased, Rent.)	

	Case.
Lessor accounting for advances from lessee with contingent reimbursement.....	129
for building acquired by foreclosure of leased ground.....	100
for maintenance of bridge used by sole tenant carrier.....	82
for maintenance of track used by lessee carriers.....	3,51
for operation of bridge used by sole tenant carrier.....	82
for operation of track operated by lessee carrier.....	51
for receipts from sand and gravel rights.....	201
for rent of bridge used by sole tenant carrier.....	82
for rent of dwelling subleased to lessee.....	149
for rent of locomotives leased to lumber company.....	135
for rent of track used by lessee carriers.....	3,51
for revenue from operation by lessee on track of lessor.....	51
for supplies furnished to and reimbursed by equipment lessee.....	135
for supplies furnished to restaurant lessee.....	15
for taxes on bridge used by sole tenant carrier.....	82
for taxes on track used by lessee carriers.....	3
(See also <i>Joint, Leased, Rent.</i>)	
Library, law, investment in.....	195
License for placing telephone line over tracks, receipts from.....	13
Lighterage under rail-line rate, revenue from.....	148
Lighting supplies for cars, expense for, when furnished by one carrier to another.....	53
Linen for dining cars, investment in.....	140
for dining cars, repairs and renewals of.....	164
for hotels and restaurants, renewals of.....	168
Live stock, care of, revenues and expenses for stock pens for.....	153
claims on, pay and expenses of force in charge of.....	145
28-hour law for, penalties for violations of.....	90
Loading of coal on cars at coal wharves, revenue and expense of.....	155
of fuel prior to delivery at chutes includible in fuel costs.....	124
Locomotive-miles for freight service on main line by transfer crew.....	97
for run from shops to relieve yard locomotive.....	96
for run from yard to shops for repairs.....	96
for service between mines and concentration stations.....	7
for service operated by one carrier on tracks of another.....	51
Locomotives, compensation for use of, in collecting freight lost by another carrier.....	30
depreciation of, when furnished for joint terminal by tenant company.....	72
enginehouse expense for, apportionment of, among carriers concerned.....	52
fuel for, when used in firing up.....	12
fuel station expense for, apportionment of, among carriers concerned.....	54
operation of, when sent from shops to relieve yard locomotive.....	96
rent of, when furnished by carrier to lumber company.....	135
rent of, when furnished by operating carrier for use at joint terminal.....	109
rent of, when furnished by tenant carrier for use at joint terminal.....	73
repairs of, when furnished by tenant carrier for use at joint terminal.....	72
supplies for, distribution of, to yard and work-train service.....	50
supplies for, furnished by carrier to, lumber company.....	135
supplies for, furnished by one carrier to another.....	55
turning of, by one carrier for another.....	9
water station expense for, apportionment of, among carriers concerned.....	158
wrecking frogs for, investment in.....	193
(See also <i>Equipment.</i>)	
Log traffic, temporary tracks for handling, depreciation of.....	75
train operated by lumber company over carrier's line, mileage statistics of.....	49
Loss by abandonment of projects for which expense has been incurred.....	60
by destruction of shops and equipment by fire.....	89
by destruction of storehouse maintenance material by fire.....	129
by failure to comply with garnishment requirements.....	127
on obsolete material sold as scrap.....	17
on operation of road leased on basis of division of revenue.....	51
Loss and damage claims, interest and penalties payable on.....	33
claims, pay and expenses of force engaged on.....	145
expense for recovery of freight lost from cars.....	30
Lubricants for air brake cylinders on cars.....	133
for gasoline motor cars in revenue train service.....	8
furnished by one carrier to cars of another carrier.....	53
furnished to sleeping cars operated over carrier's line.....	165
Lumber company payments for locomotives leased and supplies furnished by carrier.....	135
company train operated over carrier's line, mileage of.....	49
freight lost by another carrier, recovery of.....	30
material, injuries of storehouse employee in unloading of.....	159

	Case.
M.	
Machine work, replacement of tools used in.....	131
Machines, calculating and typewriting, purchased during construction.....	141
roadway, investment in.....	191, 192
Maintenance apportionment to tenant carriers holding trackage rights.....	3, 23, 28, 42, 46, 61, 92
apportionment to tenant carrier not reporting to Commission.....	94
apportionment to tenant carriers using terminal facilities.....	45, 56
apportionment to tenant carrier using water station.....	158
assumption by lessee of yards and tracks.....	33
expense for coal wharves.....	155
expense for sewers adjacent to miscellaneous physical property.....	173
expense for stock pens at stations.....	153
expense for street car lines.....	156
expense for telegraphones of cabooses.....	107
material destroyed by fire, loss on.....	129
material, injuries incurred by employee during unloading of.....	159
material, insurance premiums on.....	160
material, investment in storehouses for.....	190
reimbursement to agent carrier furnishing line equipment.....	77
reimbursement to bridge company by sole tenant carrier.....	82
reimbursement to tenant carrier furnishing terminal equipment.....	72
reimbursement to tenant carrier using tracks.....	18, 51
work equipment, rent payable and receivable for.....	173
work train, injuries by, to prospective passenger.....	19
<i>(See also Renewals, Repairs.)</i>	
Material accounting adjustments to basis of inventory.....	2, 74
accounting for secondhand use in car construction.....	108
bills, interest and discount on.....	43
destroyed by fire, loss incurred on.....	129
expense incident to cleaning and oiling cars of another carrier.....	161
expense incident to damages caused by another carrier.....	42, 132
expense incident to enginehouse service for another carrier.....	52
furnished by one carrier to another carrier.....	55
furnished to sleeping cars operated over carrier's line.....	165
insurance premiums.....	160
salvaged from car destroyed on foreign line.....	59
salvaged from cars converted into bunk houses.....	40
salvaged from spur track originally charged to operating expenses.....	69
sold as scrap, loss on.....	17
sold as scrap, receipts from and gathering of.....	71
store expenses, closing of balance for.....	6
storehouses, investment in.....	190
taxes.....	160
transportation chargeable against joint users of track.....	61
transportation chargeable against purchasers.....	143
used by timekeepers engaged on construction work.....	64
Medical services for employee injured during construction.....	194
Mileage for car delivery movements outside of regular yard.....	48
for log train operated over carrier's line by lumber company.....	49
for mixed service by gasoline-electric motor combination car.....	200
for relief run from shops to point of service.....	96
for run from point of service to shops for repairs.....	96
for service between mines and concentration stations.....	7
for service operated by one carrier on tracks of another.....	51, 68, 77
for service operated on main line by transfer crew.....	97
used as basis for distribution of yard locomotive and work-train supplies.....	50
Mines, service to, operating expense and mileage statistics for.....	7
temporary tracks to, investment in and depreciation of.....	75
Miscellaneous operations, sewer assessments assignable to.....	173
Miscellaneous physical property, investment in, when held by trustee.....	16
sand and gravel rights on, receipts from.....	201
sewers adjacent to, assessments for.....	173
Mixed-train mileage of motor combination car in mixed service.....	200
Mortgaged property, deposits in lieu of.....	181
Motor cars, gasoline-electric, mileage of, when in mixed service.....	200
gasoline, operation of, in revenue service.....	8
section, investment in, for replacement of hand cars.....	191
Motormen, pay of, when operating gasoline motor cars.....	8
Motors of locomotive turntables, installation and replacement of.....	112

	Case.
N.	
Nonnegotiable debt to affiliated companies, advances includible in.....	139
Note discount, distribution of, over term of collateral	80
option as to accounting for.....	178
O.	
Obsolete material sold as scrap, loss on.....	17
Office, calculating and typewriting machines for, investment in.....	141
claims, expenses for.....	145
joint traffic, apportionment of expense for.....	130
lease of, consideration received for surrender of.....	47
Office building investment, law library includible in	195
employees. (<i>See Clerk.</i>)	
Officers, associations of, expense for participation in.....	120
claims, pay and expenses of.....	145
general, with departmental duties, pay and expenses of.....	10, 22
incidental services of, impropriety of charges for.....	134
Oil for firing up locomotives for service, fuel expense for.....	12
for lighting of cars of another carrier.....	53
for lubrication of air-brake cylinders, supply expense for.....	133
for lubrication of cars of another carrier.....	53
for switch lamps, supply expense for.....	203
Oiling passenger cars of tenant company, reimbursement for.....	161
Operation of bridge reimbursed by sole tenant carrier.....	82
of coal wharves, revenues and expenses of.....	155
of drawbridge apportionable to tenant carriers.....	41
of equipment for delivery to borrowing carrier.....	73
of fuel station apportionable to another carrier and to joint yard.....	54
of gasoline motor cars in revenue service, expense for.....	8
of interchange switching apportionable between carriers participating.....	98
of joint facilities apportionable to carrier not reporting to Commission.....	94
of joint facilities, crossing flagmen's pay assignable to.....	67
of joint facilities, extraordinary casualty expense incident to.....	66
of joint yards, enginehouse expense assignable to	52
of joint yards, fuel-station expense assignable to.....	54
of line apportionable to tenant carriers holding trackage rights.....	23, 28, 42, 46, 92
of locomotive relieving yard locomotive for repairs.....	96
of locomotive used in recovering freight lost by another carrier.....	30
of road, proper time for beginning of accounting for.....	57
of service between mines and concentration stations.....	7
of shops handling repairs for two carriers, clearing account for.....	20
of stock pens at stations, revenues and expenses of.....	153
of street car line, revenues and expenses of.....	156
of terminal facilities apportionable to tenant carriers.....	45, 56
of terminals reimbursed by tenant proprietary carriers.....	95
of through service apportionable between carriers participating.....	31, 58
of track reimbursed by tenant carriers.....	18, 51
of train for promotion of industries along line, expense for.....	121
of train for service on main line by transfer crew.....	97
of train reimbursed to agent carrier furnishing service.....	77
of water station apportionable to another carrier.....	158
of yard locomotive on run to shop for repairs.....	96
Operators, telegraph, incidental services of, in train dispatching.....	122
Optional accounting for discount on short-term notes.....	178
for enginehouse service for another carrier.....	52
for joint traffic offices.....	130
for pay of employees delivering equipment to borrowing carrier.....	73
for water-station service for another carrier.....	158
Options on land for postponed construction projects.....	60
Orders, train, incidental services of telegraph operators in delivery of.....	122
Ore traffic, temporary tracks for handling, depreciation of.....	75
Organization expenses, stock registration and transfer assignable to.....	196
Outside ticket agency, joint, apportionment of expense for.....	130
Overcharges, claims force engaged on, pay and expenses of.....	145
interest and penalties on.....	32
refunds of, duplicate payments of, when irrecoverable.....	86
temporary charges of, to agency accounts.....	184
temporary charges of, to freight revenue accounts.....	203

Overflow damage. (<i>See Flood.</i>)	Case.
Overgrade crossing by another carrier, contribution to construction of.....	187
by highways, land for grade slopes at.....	100
P.	
Packages on passenger trains, revenue from.....	144
Painting switch stands. (<i>See Repainting.</i>)	
Passenger, prospective, injury of, by maintenance train.....	19
Passenger cars. (<i>See Cars, Rent.</i>)	
Passenger miles. (<i>See Mileage.</i>)	
Passenger service, additions to arbitrary for ferry service incident to.....	113
expenses for, when operated by agent carrier on owning carrier's track.....	77
expenses for, when operated on joint facility line.....	23, 46
expenses for, when operated solely by tenant carrier.....	51
revenue from, for carrying through passengers.....	146
revenue from transportation of packages, etc., by.....	144
revenue from, when operated by agent carrier on owning carrier's track.....	77
revenue from, when operated on joint facility line.....	23, 46
revenue from, when operated solely by tenant carrier.....	51
statistics of, when embraced in mixed service by combination motor car.....	200
statistics of, when including the movement of through passengers.....	146
statistics of, when operated solely by tenant carrier.....	51
(<i>See also Train service.</i>)	
Patterns, foundry, assignment of cost of.....	128
Pay of attorney for preparing and recording trackage agreement.....	134
of brokers for purchasing securities of other companies.....	98
of claims force.....	145
of crew engaged in recovery of lumber lost by another carrier.....	30
of crossing flagmen apportionable to other carriers.....	67
of employees for delivery of equipment to borrowing carrier.....	73
of employees for loyal service during strike.....	21
of employees, premiums paid to obtain currency for.....	39
of general officers having departmental duties.....	10, 22
of joint car inspectors, payments by carrier toward.....	5
of joint ticket agency force apportionable to other carriers.....	130
of motormen on gasoline motor cars in revenue service.....	8
of officers incidentally aiding in law work.....	134
of physicians for services in examining employees and applicants.....	170
of superintendent and clerks acting as station employees.....	114
of telegraph operators incidentally aiding in train dispatching.....	122
of timekeepers for construction work.....	64
of timekeepers for shopwork.....	163
(<i>See also Labor.</i>)	
Pay-roll credits for accident expense reimbursed.....	42, 132
for enginehouse expense reimbursed.....	52
for joint traffic office expense reimbursed.....	130
Penalties for contractors' failures to complete construction.....	106
for improper delivery of bonded freight.....	38
for nonpayment of freight claims.....	32
for violation of 28-hour stock law.....	90
Pension fund accounting.....	34
Per diem included in charges for transfers of lading.....	14
incurred by road whose cars are seldom off its line.....	29
incurred for detention of cars by customs authorities.....	84
incurred on company fuel cars, impropriety of charges for.....	123
reclaims assignable to hire of equipment.....	26, 29
Personal expenses of claims officers and staff.....	145
of general officers having departmental duties.....	10, 22
of joint car inspectors.....	5
of officers holding membership in associations.....	120
Personal injuries expense. (<i>See Injuries.</i>)	
Physical examination of employees and applicants, fees for.....	170
Physicians' fees for physical examinations.....	170
Picnic train revenue based on number of cars used.....	24
Pile structure temporarily used for bridge, construction of.....	62
Pipe line for conveying water to passenger-car yards, investment in.....	189
Pit cattle guards, ties used in construction of.....	185
Poles, trolley, rent from joint use of, by telephone company.....	70

	Cms.
Pool conveniences for use of employees, revenues and expenses of.....	151
Posts, bumping, repairs of.....	157
Power furnished under lease of station property, receipts from.....	159
machine tools, appurtenances for replacement parts of.....	131
Premiums for insurance of storehouse material stock.....	160
on currency obtained to pay employees.....	39
President having direct charge of departments, pay and expenses of.....	10
Price reckoning for secondhand material used in car construction.....	105
Privilege of placing telephone wires over tracks, receipts from.....	13
of use of carrier's poles by telephone company, receipts from.....	70
Profit and loss adjustment for line property sold to another carrier.....	102, 103
adjustment to correct insufficient depreciation.....	75
credits for retirement of track originally charged to operating expense.....	60
debts for preliminary expense of construction abandoned.....	60
Profits from additions to bills to cover overhead expense.....	25
from coal furnished to another carrier.....	79
from purchase of county scrip to be tendered for taxes.....	53
from settlement of loss on car destroyed on foreign line.....	162
Promotion of industries along line, special train for.....	121
Pump for gasoline storage tank, investment in.....	183
Purchase of securities of other companies, brokers' commissions for.....	98
R.	
Rails used in temporary track construction.....	73
Railway commission, State, payments toward expenses of.....	133
Real estate purchased in names of agents, investment in.....	104
receipts from sand and gravel rights.....	201
<i>(See also Buildings, Land.)</i>	
Reclaims of per diem, assignment of, to hire of equipment.....	26, 29
Recording of trackage agreement, fees paid for.....	134
Refund of overcharges by deduction from freight revenue.....	202
paid in duplicate and irrecoverable.....	86
Registration of capital stock.....	196
Relief locomotive, expenses and mileage of, for run to point of service.....	96
Relocation of public highway to obtain bridge site.....	105
of track of another carrier to avoid grade crossings.....	101
Removal of brasses from cars to prevent theft.....	36
of equipment device superseded by improved form.....	111
of wharf parts during improvement work, injuries incident to.....	110
Renewals of dining-car equipment.....	164
of hotel and restaurant equipment.....	168
of switch lamps.....	203
Rent for cars transporting company fuel, impropriety of charges for.....	123
for equipment leased from industrial owner.....	118
for equipment used in joint yard operation.....	44
for equipment when in form of delivery costs to borrower.....	174
for land leased prior to actual purchase.....	136
for locomotives used at jointly operated terminals.....	72
for road operated solely by tenant carrier.....	51
for tracks when paid in form of construction advances.....	130
from dwelling occupied rent free, impropriety of credits for.....	65
from dwelling subleased by lessee of right of way where located.....	149
from freight houses operated as joint facilities.....	56
from joint facility used by carrier not reporting to Commission.....	94
from leased land sublet prior to actual purchase.....	136
from locomotives leased to lumber company.....	135
from locomotives used at jointly operated terminals.....	72, 100
from poles of carrier jointly used by telephone company.....	70
from station property leased for warehouse use.....	150
from terminal-company facilities used by tenant proprietary companies.....	95
from tracks when received in form of construction advances.....	130
of bridge used by sole tenant carrier.....	82
of equipment furnished by agent carrier for train service.....	77
of equipment used for through dining-car service.....	58
of equipment used under alternate switching arrangement.....	93
of equipment when in form of taxes reimbursed.....	176
of line jointly used by owning and tenant carrier.....	18, 23, 25, 46
of locomotive used to gather lost freight of another carrier.....	30

	Case.
Rent of terminal facilities used jointly by operating and tenant carrier.....	45
of track used as joint facility and by outside carrier.....	92
of track used solely by tenant carrier.....	3, 33
of trains operated by one carrier on line of another.....	31
of work equipment used in maintenance and operation.....	175
of yards used solely by tenant carrier.....	33
unpaid on foreclosed property, relation of investment charges to.....	109
Repainting of switch stands.....	157
Repairs of bridge, temporary pile structure incident to.....	62
of bumping posts.....	157
of cars, removal of brasses assignable to.....	36
of damage by tenant carrier at joint facility.....	63, 132
of dining-car furnishings.....	164
of equipment, joint car-inspectors' pay and expenses assignable to.....	5
of equipment, segregation of, by shop clearing accounts.....	20
of equipment, substitution of devices assignable to.....	111
of hotel and restaurant furniture.....	168
of locomotive used at joint facility, apportionment of.....	72
of roadway dwelling occupied rent free by employees.....	65
of switch lamps.....	203
of telegraphones for cabooses.....	107
<i>(See also Renewals, Maintenance.)</i>	
Replacement of equipment after destruction by fire, retirement accounting incident to.....	89
of equipment, amounts owed to another carrier for.....	11
of equipment, insurance recoveries held in trust pending.....	181
of hand cars, investment in section motor cars for.....	191
of shops after destruction by fire, retirement accounting incident to.....	89
of worn-out tools, shop devices purchased for.....	131
Reserve for depreciation, retirement credits to.....	59
for pensions.....	34
Restaurant equipment, renewals and repairs of.....	168
equipment, transportation charges on.....	197
service conducted for employees, revenues and expenses of.....	151
supplies furnished by carrier to lessee of service.....	15
supplies, transportation charges on.....	197
Resting of stock in transit, stock pens at stations for.....	153
Retirement of car destroyed on foreign line.....	59, 162
of equipment destroyed by fire.....	89
of equipment, impropriety of abandoned property accounting for.....	182
of notes and bond collateral differing in life terms.....	80
of shop destroyed by fire.....	89
of spur track originally charged to operating expenses.....	69
Revenue credits for amusement coupons unrepresented.....	35
credits for transportation of material used by others.....	61, 143
credits improper for dwellings occupied rent free.....	65
credits limited to amounts actually earned.....	65
division as payment of rent for facilities.....	23, 46, 51
from coal wharves.....	155
from facilities jointly used by carrier not reporting to Commission.....	94
from heating cars containing vegetable shipments.....	152
from lightering performed under tariff rates.....	148
from poles used jointly by telephone company.....	70
from restaurant and other conveniences for employees.....	151
from sale of coal to another carrier.....	79
from sale of power to lessee of station property.....	150
from station property leased for warehouse.....	150
from stock pens at stations.....	153
from street car line.....	156
from switching service.....	14, 27
from through dining-car line.....	58
from trains for picnic service.....	24
from transfer of freight.....	154
from transportation of carrier's hotel and restaurant equipment and supplies.....	197
from transportation of equipment loaned to another carrier.....	73
from transportation of packages, etc., on passenger trains.....	144
from transportation of passengers on joint facility track.....	46
from transportation of through passengers from connecting lines.....	146

	Cma.
Revenue from transportation on carrier's tracks by agent carrier	77
from turning of locomotives for another carrier	9
from water transfers, limitation of, to specific rates	146
from weighing cars	147
Revenue stamps required by law	171
Right of way, dwelling on, rents from	65, 149
dwelling on, repairs of	65
fence expense for, cattle-guard ties assignable to	185
land for, investment in, when purchased in name of agents	104
slopes appurtenant to, land purchased for	100, 186
Road of carrier, investment credits for sale of portions of	102, 108
Roads, highway. (<i>See Crossings, Highway.</i>)	
Roadway buildings, investment in	40, 199
buildings, repairs of	65
machines, investment in	191, 192
S.	
Salaries. (<i>See Pay.</i>)	
Sale of coal to another carrier, revenue from	79
of interest in whole or part of line, investment credits for	102, 108
of material, transportation charges incident to	148
of power to lessee of station property	159
of scrap material	17, 71
of short-term notes secured by bond collateral	80
Salvage from box cars converted to bunk houses	40
from equipment destroyed by fire	89
from pile structure used as temporary bridge	62
from shop destroyed by fire	89
from spur track originally charged to operating expense	69
Sand rights on miscellaneous physical property, receipts from	202
Scrap material sold, accounting for	17, 71
Scrip, county, purchased for use in tax payments	83
Secondhand material for construction, price reckoning for	166
Section motor cars to replace hand cars, investment in	191
Securities, commissions paid for purchase of	98
(<i>See also Bond, Capital stock.</i>)	
Sewers adjacent to miscellaneous physical property, assessments for	173
Shop investment, gasoline-storage plant assignable to	186
investment, locomotive turntable motor assignable to	112
investment, material storehouses assignable to	190
investment, water-pipe line assignable to	189
retirement accounting after destruction by fire	89
timekeepers, pay of	162
work for another carrier, clearing account for segregation of	20
Short-term notes. (<i>See Note.</i>)	
Shortage of station agent in excess of surety bond	166
Sidings for forest and mine freight, installation and depreciation of	75
Silverware of dining cars, investment in	149
repairs and renewals of	164
Sinking fund of terminal company, payments toward, by proprietary companies	95
Sleeping cars, exterior cleaning of	85
supplies for, when operated over carrier's line	165
Slopes in connection with highway crossings, land for	100, 186
Sold equipment, amount owed another carrier for replacement of	11
property, deposits for, insurance recoveries assignable to	181
Special assessments for sewers at miscellaneous physical property	173
service train revenue from picnic train	24
train for promotion of industries along line, expense for	121
Spur track, construction advances by lessee of, when reimbursement is contingent	139
installation and depreciation of, when construction is temporary	75
investment in, when borne partly by industry benefited	183
retirement of, when originally charged to operating expenses	69
Stamps, internal-revenue, chargeable against carrier	171
State railway commission, payments toward expenses of	138
Station, joint facility, accounting for	23
portion of, leased with power furnished, receipts from	150
restaurant at, supplies furnished to lessees of	15

Station, stock pens at, revenues and expenses of.....	153
storehouses at, investment in.....	190
(See also <i>Fuel station, Water station.</i>)	
Station employees, expense assignable to, for stock-pen operation.....	153
expense assignable to, for transfers of car loadings.....	115
general agent acting as, pay and expenses of.....	22
shortage of, when in excess of surety bond.....	166
superintendent and clerks acting as, pay of.....	114
Station expenses for cold storage of freight pending delivery.....	126
for stock-pen operation.....	153
for supplies furnished to restaurant lessees.....	15
Stationery investment, office equipment assignable to.....	141
Statistics of car-miles.....	7, 51, 77, 97
of freight traffic.....	23
of locomotive-miles.....	7, 51, 77, 97
of passenger traffic.....	23, 51, 77, 146
of ton-miles.....	7, 51
of train-miles.....	7, 49, 51, 68, 77, 97
(See also <i>Mileage.</i>)	
Stock. (See <i>Capital stock, Live stock.</i>)	
Stock pens at stations, revenues and expenses of.....	153
Storage of cars, removal of brasses in connection with.....	36
of coal at coal wharves, revenues and expenses of.....	155
of freight pending delivery, expense for.....	126
of ice at ice houses, cleaning expense assignable to.....	91
Storage plant for gasoline for motor cars, investment in.....	188
Store expense, annual closing of clearing account balance for.....	6
apportionment of, to tenant carriers of joint tracks.....	61
Storehouse employees, injuries of, while unloading carrier's lumber.....	159
stock, insurance and taxes on.....	160
Storehouses for railway material, investment in.....	190
Stores. (See <i>Material, Supplies.</i>)	
Street car line operated by steam road, revenues and expenses of.....	156
crossings. (See <i>Crossings.</i>)	
Strike, payments to employees for loyal service during.....	21
Strips, sugar, injuries of employee unloading lumber for.....	159
Structures, miscellaneous, investment in.....	142, 190
Subprimary accounts for street car operations.....	156
Sugar strips, injuries of employee unloading lumber for.....	159
Suit in false arrest case against carrier, judgment and fees in.....	88
on account of defective appliances on cars, judgment and costs in.....	37
(See also <i>Law.</i>)	
Superintendence expense, apportionment of, to others.....	61
pay and expenses assignable to.....	10, 22, 163
profits on bills covering.....	25
Superintendent, dwelling for, investment in, when held by trustee.....	16
pay of, when performing station service.....	114
pay of, when responsible for local management.....	22
Supervision of departments by general officer.....	10
Supplies for gasoline motor cars.....	8
for hotels and restaurants, transportation of.....	197
for station restaurants operated by lessees.....	15
for stock pens at stations.....	153
for switch lamps.....	203
for train operation.....	9, 85, 133, 165
for yard locomotive and work-train service, cost distribution for.....	50
furnished to another carrier.....	53, 55, 79, 135
(See also <i>Material.</i>)	
Surety bond, station agent's shortage in excess of.....	166
Surplus appropriated for investment, donations assignable to.....	183
Surrender of office lease, consideration received for.....	47
Suspense account for franchise with 20-year life term.....	99
for postponed construction.....	60
Switch lamps, maintenance and supplies of.....	203
stands, repainting of.....	157
Switches used in temporary track construction.....	75

	Page.
Switching charges by carrier on company fuel, adjustment of.....	122
locomotive movement incident to repairs, expenses and statistics of.....	96
locomotives furnished by tenant carrier on joint facility line, payment for.....	72
revenue from express car movements.....	27
revenue from movement for transfer of lading.....	14
road accounting for per diem charges and reclaims.....	29
road accounting for reimbursements by proprietary carriers.....	95
service at mines, expense and statistics of.....	7
service for car delivery outside regular yards, mileage of.....	48
service incident to weighing cars, receipts from.....	145
service under alternation arrangement, settlements for.....	98
T.	
Tables for dining cars, investment in.....	149
Tableware for dining cars, investment in.....	149
for dining cars, repairs and renewals of.....	164
for hotels and restaurants, renewals of.....	196
Tank of gasoline storage plant, investment in.....	188
Taps for replacement of worn-out shop tools.....	131
Taxes borne by lessor of railway facilities.....	36, 82
deferred, interest payable on.....	179
paid with county scrip, profit in connection with.....	82
payable as contribution to State railway commission expenses.....	128
payable on storehouse material stock.....	169
reimbursed by tenant carriers of joint terminal facilities.....	56, 176
reimbursed by tenant carriers of leased tracks.....	3
represented by internal-revenue stamps purchased.....	171
Telegraph operators, incidental services of, in train dispatching.....	122
service operated jointly, accounting for.....	23
Telegraphones, installation and maintenance of.....	107
Telephone line locations by others, receipts from privileges of.....	13, 70
Temporary grain doors, injuries of employee unloading lumber for.....	189
pile structure during bridge repairs, construction cost of.....	62
tracks to forests and mines, installation and depreciation of.....	75
Tenant companies' accounts. (<i>See Lessee.</i>).....	
Tents for timekeepers engaged on construction work.....	64
Terminal, damage expense at, when borne by tenant carrier.....	122
equipment for, taxes on, reimbursed by tenant carrier.....	176
expense of, billed against tenant carrier, distribution of.....	45
ferry service at, allowance for, in division of revenue.....	113
freight houses used jointly at, receipts from operation of.....	56
locomotives furnished for joint use at, payment for.....	72, 199
materials and supplies furnished under contract for use of.....	55
station property at, rent receipts from, when contract covers power furnished by carrier..	150
station service at, pay of superintendence force engaged in.....	114
storehouses for supplies at, investment in.....	199
transfer of lading at, expense for.....	115
Terminal company expenses and fixed charges reimbursed by proprietary carriers.....	95
income, distribution of, to proprietary carriers.....	199
Theft of car brasses, expense for prevention of, by removal.....	36
Ticket agency, joint, apportionment of expense for.....	130
receipts, division of, under joint operation arrangement.....	45
Ties for pit cattle guard construction.....	125
for spur track when furnished by industry benefited.....	183
for temporary tracks to forests and mines.....	75
Timekeepers for construction work, pay and outfits of.....	64
for shop work, pay of.....	163
Ton-miles of traffic between mines and concentration stations.....	7
of traffic on lines of nonoperating carrier.....	51
Tool expense apportionable to work done for others.....	26
replacement, shop devices for.....	131
Trackage agreement, preparing and recording of.....	134
charges for delivery of excursion equipment to borrowing carrier.....	73
charges in connection with turning locomotives for another carrier.....	9
payments when outside carrier uses jointly used tracks of other carriers.....	93

	Case.
Trackage payments when owning and tenant carriers use jointly	23, 28, 46
payments when owning carrier operates equipment only	18
payments when tenant carrier has sole use	3, 33, 139
<i>(See also Leased, Lessee, Lessor.)</i>	
Tracks, damage to, when borne by tenant carrier of joint facility	42
depreciation of, when constructed for temporary service	75
investment in, when constructed for temporary service	75
investment in, when construction is partly borne by industry benefited	183
relocation of, when belonging to another carrier	101
retirement of, when originally charged to operating expense	69
switch maintenance in connection with	157, 203
telephone line location over, receipts from	13
Traffic expense for guaranty of Chautauqua against deficit	81
for joint ticket offices	130
for street car line operation	156
Train-miles of gasoline-electric motor combination cars	200
of service between mines and concentration stations	7
of service on line of another carrier	51, 68
of service operated on main line by transfer crew	97
Train service between mines and concentration stations, expenses and statistics of	7
by gasoline motor cars, expense for	8
enginehouse expenses apportionable to carriers and joint yard	52
for delivery of equipment loaned to another carrier	73
for picnic, revenue from	24
for promotion of industries along line, expense for	121
on main line when conducted by transfer crew	97
operated by industry over lines of carrier	49
operated by one carrier on line of another	31, 77
water station expense, apportionment of	153
Train supplies and expenses for cleaning sleeping and dining car exteriors	85
for gasoline motor cars	8
for lubricating air-brake cylinders	133
for sleeping cars operating over carrier's line	165
for turning locomotives for another carrier	9
for work service, distribution of	50
under contract for joint use of terminals	55
Transfer crew, freight service operated by, expenses and statistics of	97
Transfers of capital stock, payments to trust companies for	196
of car lading, expense for	115
of car lading, receipts from	14, 154
of coal at coal wharves, revenues and expenses of	155
Transportation costs on coal of carrier, adjustment of	117, 128, 124
on company material sold, adjustment of	79, 143
on equipment and supplies for hotels and restaurants	197
<i>(See also Freight charges.)</i>	
Traveling expenses of claims force	145
Trolley poles of carrier, receipts from use of, by telephone company	70
Trucks of cars, retirement accounting for	40, 59
Trust company, payments to, for registration and transfer of stock	196
Trustee, dwelling held for carrier by, investment in	16
insurance recoveries held by, pending equipment replacement	181
pension fund held by, accounting for	34
Turning of locomotive of one carrier on facilities of another	9
Turntable motor, replacement of	112
Typewriting machines purchased during construction	141

U.

Unadjusted credits	11, 183, 184
Uncollectible revenues, duplicate overcharge refund assignable to	86
Undergrade crossings. <i>(See Crossings.)</i>	
Unfunded debt interest, items assignable to	178, 179
Unloading of carrier's coal, adjustment of costs on	124
of carrier's lumber, employee's injuries incident to	159
of coal at coal wharves, revenues and expenses of	155
Unrefunded overcharges, temporary inclusion of, in current accounts	184, 202

V.

	Case.
Vegetable shipments, revenue from car heating incident to.....	152
Vessel service. (<i>See Ferry, Lighterage.</i>)	
Vessels, unloading of, at coal wharves.....	153
Vice president, dwelling held by, as trustee for carrier.....	16
Violation of law. (<i>See Penalties.</i>)	
Voucher accounts, credits to.....	42, 128

W.

Wages. (<i>See Pay, Labor.</i>)	
Warehouse purposes, receipts from rent of station property for.....	159
Waste furnished to cars of another carrier.....	53
Water damage by displacement of track equipment, correction of.....	125
damage by overflows of inadequate waterways.....	4
pipe line from shop to passenger-car yards, investment in.....	189
station expense apportionable to another carrier.....	158
supply furnished to cars of another carrier.....	53
supply furnished to sleeping cars operated on carrier's line.....	165
transfers, revenue properly assignable to.....	148
Watering of stock in transit, stock pens for, at stations.....	153
Waterways, damage expense due to overflows of.....	4
Way and structures. (<i>See Maintenance.</i>)	
Weighing of cars, revenue from.....	147
Wharves, injuries expense incurred during improvement of.....	119
revenues and expenses of, when operated for handling and storing coal.....	155
Wicks for switch lamps, supply expense for.....	203
Witness fees in suit against carrier for false arrest.....	88
Wood used in firing up locomotives, expense for.....	12
Work equipment for maintenance, rent paid and received for.....	173
Work train, injuries to prospective passenger by.....	19
supplies for, basis for cost distribution of.....	59
Wrecked bridge, construction work incident to repair of.....	62
equipment, restoration of, after flood from bursting dam.....	125
Wrecking crane, injury of engineer of, when engaged in improvement work.....	110
frogs for cabooses and locomotives, installation of.....	193

Y.

Yard operation, drawbridge operation incident to, apportionment for.....	41
joint, enginehouse expense apportionable partly to.....	53
joint, fuel station expense apportionable partly to.....	54
joint, pay of crossing flagmen at, apportionment of.....	67
joint, rent payable for equipment used in.....	44
supply costs for, basis for distribution of.....	59
supply expense for, when for switch lamps.....	203
Yard service between mines and concentration stations, expenses and statistics of.....	7
for delivery of cars outside of regular yards, mileage of.....	48
for relieving locomotive sent to shop for repairs, expenses and mileage of.....	96
Yards, rent payable for exclusive use of.....	33
water-supply pipe line from shop to, investment in.....	139



Accounting Bulletin No. 11

INTERPRETATIONS
OF
ACCOUNTING CLASSIFICATIONS
EMBODIED IN THE
UNIFORM SYSTEMS OF ACCOUNTS
FOR
TELEPHONE COMPANIES
(CLASSES A, B, AND C)
PRESCRIBED BY THE
INTERSTATE COMMERCE COMMISSION
IN ACCORDANCE WITH SECTION 20 OF THE
ACT TO REGULATE COMMERCE

Effective on July 1, 1916

WASHINGTON
GOVERNMENT PRINTING OFFICE
1916

THE INTERSTATE COMMERCE COMMISSION.

BALTHASAR H. MEYER.

JUDSON C. CLEMENTS.

EDGAR E. CLARK.

JAMES S. HARLAN.

CHARLES C. McCHORD.

HENRY C. HALL.

WINTHROP M. DANIELS.

GEORGE B. MCGINTY, *Secretary.*

ORDER.

At a General Session of the INTERSTATE COMMERCE COMMISSION, held at its office in Washington, D. C., on the 26th day of June, A. D. 1916.

The subject of a Uniform System of Accounts to be prescribed for and kept by telephone companies being under consideration, the following order was entered:

It is ordered, That the interpretations of the accounting classifications for telephone companies, prepared under the direction of this Commission and embodied in printed form to be hereafter known as Accounting Bulletin No. 11, and now before this Commission, be, and the same are hereby, approved; that a copy of said bulletin duly authenticated by the Secretary of the Commission be filed in its archives, and a second copy thereof, in like manner authenticated, in the office of the Division of Carriers' Accounts; and that each of said copies so authenticated and filed shall be deemed an original record thereof.

It is further ordered, That the accounting methods directed in the interpretations contained in the said Accounting Bulletin No. 11 be, and they are hereby, prescribed for the use of telephone companies having annual operating revenues exceeding \$10,000, and subject to the provisions of the Act to Regulate Commerce, as amended, in the keeping and recording of their accounts.

It is further ordered, That July 1, 1916, be, and it is hereby, fixed as the date on which the said Accounting Bulletin No. 11 shall become effective, the same to remain in effect until otherwise ordered by the Commission.

By the Commission.

[SEAL.]

GEORGE B. MCGINTY,
Secretary.

INTRODUCTORY LETTER.

INTERSTATE COMMERCE COMMISSION,
DIVISION OF CARRIERS' ACCOUNTS,
Washington, June 26, 1916.

TO TELEPHONE COMPANIES (CLASSES A, B, AND C):

Systems of accounts for telephone companies subject to the jurisdiction of the Interstate Commerce Commission have been issued under the authority contained in section 20 of the Act to regulate commerce. The Uniform System of Accounts for Class A and Class B Telephone Companies became effective January 1, 1913, and a supplement thereto became effective on January 1, 1915. The Uniform System of Accounts for Class C Telephone Companies became effective on January 1, 1915. This accounting bulletin contains answers to accounting questions which have been raised since the issuance of the systems of accounts and is published in order that uniformity may be had in the application of the rules laid down in the systems of accounts. It is supplementary to, and should be used in conjunction with, the systems of accounts prescribed for Class A, Class B, and Class C companies.

In the preparation of this bulletin the Commission has had the cooperation of a joint accounting committee representing practically all of the large telephone companies and a large number of the small companies. This bulletin was submitted in tentative form to the commissions of the several States having supervision of telephone companies and criticisms and suggestions were invited. Those received have been given careful consideration in the completion of the bulletin as now issued.

FRED W. SWENEY,
Chief Examiner of Accounts.

INTERSTATE COMMERCE COMMISSION ACCOUNTING BULLETIN NO. 11.

INTERPRETATIONS OF ACCOUNTING CLASSIFICATIONS EMBODIED IN THE UNIFORM SYSTEMS OF ACCOUNTS FOR TELEPHONE COMPANIES.

NOTE.—In the answers to cases references are usually made to the Class A and Class C accounts. Where the accounts shown are for Class A companies and the same accounts are not prescribed for Class B companies in the Uniform System of Accounts, Class B companies should interpret the answers as applying to their particular account of which the Class A account is a subdivision. Where no reference is given to specific accounts the case applies to all three classes of companies unless it specifically indicates otherwise.

CASE 1.

Query. Is it required that the titles of the accounts carried on the company's books correspond with the titles of accounts in the Uniform Systems of Accounts?

Answer. The Uniform Systems of Accounts prescribed by the Commission contain the titles and texts of the various accounts and require that companies keep their accounts in conformity therewith. Balance-sheet accounts which are clearly summaries of other accounts are not required to be set up on the books of the company (see sec. 3, p. 13, of the Uniform System of Accounts for Class A and B companies). All accounts kept on the company's books shall conform in titles to those prescribed by the Commission except as follows:

(1) Subaccounts as provided in section 1, page 9, of the Uniform Systems of Accounts and such subdivisions of prescribed balance-sheet accounts as are permitted (see sec. 3, p. 13, of the Uniform System of Accounts for Class A and B companies). All such subaccounts or subdivisions shall give reference by title, number, or both, to the accounts of which they are subdivisions. When such subaccounts or subdivisions are maintained, it is not required that the main account of which they are subdivisions shall be kept on the company's general books.

(2) Experimental or temporary accounts for which special provision is made in the Commission's orders on page 6 of the Uniform Systems of Accounts.

(3) Clearing accounts (other than those provided for Class A and B companies) necessary in making the proper distribution of items to appropriate primary accounts.

CASE 2.

Query. To what extent should detailed information be shown in the general books of telephone companies?

Answer. The records shall be kept with sufficient particularity to show fully the facts pertaining to all entries made in the accounts. Where the full information is not recorded in the general books, the entries therein shall be supported by other records in which the full details shall be shown. Such general book entries shall contain sufficient reference to the detail records to per-

mit ready identification of the latter, and the detail records shall be kept in such manner as to be readily accessible when required for examination by representatives of the Interstate Commerce Commission.

CASE 3.

Query. What is the significance of the term "balance sheet," as used in section 5, page 13, of the Uniform System of Accounts for Class A and B companies?

Answer. The balance sheet referred to in section 5 is the balance sheet contained in the reports required by the Interstate Commerce Commission.

CASE 4.

Query. May account No. 102, "Reserve for accrued depreciation—Cr." (Class C, account No. 185), be subdivided between the amount applicable to fixed capital (or plant and equipment) installed prior to the effective date of the system of accounts and that installed since that date?

Answer. Yes; but the subdivision is not required. Section 1, page 9, of the Uniform Systems of Accounts for Class A, B, and C companies permit the subdivision of any account, provided the integrity of the main account is not impaired.

CASE 5.

Query. If subaccounts for "reacquired securities," referred to in section 5, page 13, of the Uniform System of Accounts for Class A and B companies, are carried on a company's ledger, are such subaccounts debit or credit accounts when appearing (1) under an asset account and (2) under a liability account?

Answer. Such subaccounts are debit accounts, when under an asset account; and credit accounts, when under a liability account. The subaccounts are of the same nature as the principal accounts of which they are a part.

CASE 6.

Query. How should securities, sometimes termed "treasury securities," signed and sealed and placed with the proper officer for sale and delivery, be accounted for in the balance-sheet accounts?

Answer. The same treatment shall be accorded "treasury securities" as is provided for "reacquired securities" in section 5, page 13, of the Uniform System of Accounts for Class A and B companies. (See Case 5.)

Class C companies may carry such securities at par in account No. 110, "Securities," and in account No. 160, "Capital stock," or No. 165, "Funded debt," as may be appropriate, but in stating the balance sheet in reports to the Interstate Commerce Commission the par value of such securities shall be shown as deductions from the totals of these accounts.

CASE 7.

Query. What should be the accounting for a note carried in account No. 105, "Investment securities" (Class C, account No. 110), upon which payment of principal has been defaulted?

Answer. Transfer to account No. 117, "Bills receivable" (Class C, account No. 120), or to account No. 110, "Advances to system corporations for construction, equipment, and betterments" (Class C, account No. 120), as may be appropri-

ate. If the asset is of doubtful value, the transfer may be to account No. 186, "Other suspense" (Class C, account No. 150), pending the final disposition of the matter.

CASE 8.

Query. What should be the accounting for accruals of depreciation on investments in physical property carried in Class A and B account No. 111, "Miscellaneous investments" (Class C, account No. 105)?

Answer. Charge the accruals to account No. 303, "Other operating expenses" (Class C, account No. 340), if on operated property, or to account No. 320, "Rent expense" (Class C, account No. 340), if on nonoperated property, and credit account No. 170A, "Other deferred credit items" (Class C, account No. 190).

CASE 9.

Query. What should be the accounting for commissions paid to brokers for the purchase of the securities of other companies?

Answer. The amount of such commissions shall be considered as a part of the cost of the securities purchased.

CASE 10.

Query. To what account should be charged the cost of buildings and land not used in telephone operations and held for sale?

Answer. Account No. 111, "Miscellaneous investments" (Class C, account No. 105).

CASE 11.

Query. To what account should be charged the cost of buildings built to rent on land which is held for future central office or other telephone purposes?

Answer. The cost of such buildings shall be charged to account No. 111, "Miscellaneous investments" (Class C, account No. 105). The cost of land held for future telephone purposes shall be charged to account No. 211, "Land" (Class C, account No. 210).

CASE 12.

Query. What should be the accounting for rents received from and expenses in connection with property carried in account No. 111, "Miscellaneous investments" (Class C, account No. 105), and leased to others?

Answer. Credit rents received to account No. 311, "Miscellaneous rent revenues" (Class C, account No. 320), and charge expenses to account No. 320, "Rent expense" (Class C, account No. 320).

CASE 13.

Query. What should be the accounting for profits realized or losses sustained when securities of other companies carried in account No. 105, "Investment securities," or account No. 116, "Marketable securities" (Class C, account No. 110), are sold for more or less than the value at which they are carried on the accounting company's books?

Answer. Credit profits from sale of securities to account No. 401, "Miscellaneous additions to surplus" (Class C, account No. 195), and charge losses to account No. 417, "Other deductions from surplus" (Class C, account No. 195), except where provision for loss has been made in a reserve account.

CASE 14.

Query. What is the general distinction between Class A company accounts No. 113, "Cash," and No. 114, "Special deposits"?

Answer. Account No. 113 should include all items of cash or deposits which are subject to the control of the company and available for current general requirements.

Account No. 114 should include all items of cash or special deposits which, although remaining "working assets" of the company, are not available for current requirements. (See Case 22.)

"Time deposits" (usually covered by certificates of deposit), although technically not available for current requirements, as a practical matter generally are available and, if such is the case, may be included in account No. 113.

CASE 15.

Query. Is it required that Class A company account No. 114, "Special deposits," be set up to cover declared dividends?

Answer. No. Dividends may be paid from general cash, in which event it is not required that account No. 114 be used. This account should be used only when special deposits for this purpose are actually made.

CASE 16.

Query. Should the term "deposits to pay declared dividends and matured interest" in the definition of Class A company account No. 114, "Special deposits," be held to cover an undivided sum paid to mortgage trustees in satisfaction of the interest on a bond issue?

Answer. No. If the payment to the trustees satisfies the liability the amount should be charged to the appropriate interest liability accounts, and account No. 114 is not involved.

CASE 17.

Query. Is it required that all materials and supplies be carried through the materials and supplies account?

Answer. No. Materials and supplies purchased for a specific project or for immediate use may be charged directly to the accounts affected and need not be carried through account No. 122, "Materials and supplies" (Class C, account No. 135).

CASE 18.

Query. What should be the accounting for discounts realized through prompt payment and interest payable through delayed payment of bills for materials and supplies?

Answer. Materials and supplies shall be charged to the accounts at their actual cost in cash, or its equivalent, to the accounting company.

Discounts realized for the prompt payment of bills shall, as far as possible, be applied as credits to the accounts charged with the particular bills or invoices involved.

Discounts realized which can not be credited to the accounts charged with the particular bills or invoices involved shall be credited to account No. 704, "Supply expense" (Class C, account No. 135).

Interest on delayed payments shall be charged to account No. 336, "Other interest deductions" (Class C, account No. 360).

CASE 19.

Query. Do the Uniform Systems of Accounts require that assets be specifically set aside to cover sinking fund appropriations?

Answer. No. The setting aside of assets usually depends upon the provisions of the mortgage or upon the policy of the company. If assets are set aside they shall be carried in account No. 125, "Sinking fund assets" (Class C, account No. 140).

CASE 20.

Query. What should be the accounting for payments received and expenses incurred in the performance of custom work for others?

Answer. The expenses, including percentages added for supervision, use of tools, profit, etc., may be charged and the payments received may be credited to a suspense account, carried under account No. 120, "Miscellaneous accounts receivable" (Class C, account No. 130); any net profit from such transactions shall be credited to account No. 316, "Miscellaneous nonoperating revenues" (Class C, account No. 320). If the amounts involved are small, the expense may be charged to the appropriate operating expense accounts and the payments received shall, in such cases, be credited to the accounts previously charged.

CASE 21.

Query. What should be the accounting for amounts paid or received for options to bind a proposed purchase, sale, or lease?

Answer. Amounts paid for options shall, pending their final disposition, be charged to account No. 136, "Other suspense" (Class C, account No. 150). If the general project for which the option was obtained is finally carried out, the cost of the option shall be considered as part of the price or rental paid and charged to the appropriate asset, income, or other account. If the general project is finally abandoned, the cost shall be charged to account No. 417, "Other deductions from surplus" (Class C, account No. 195).

Amounts received for options given by the company shall, pending their final disposition, be credited to account No. 170A, "Other deferred credit items" (Class C, account No. 190). If the transaction is made as contemplated, the amount received shall be considered as a part of the price or rental received and credited to the appropriate accounts. If the option is forfeited, the amount originally received by the company shall be credited to account No. 401, "Miscellaneous additions to surplus" (Class C, account No. 195).

CASE 22.

Query. To what account should be charged amounts deposited with municipalities to guarantee the proper restoration of street paving and other deposits with public authorities, the making of which does not rest solely within the company's discretion?

Answer. If it is probable that the funds can be withdrawn within one year from the date of deposit, charge account No. 114, "Special deposits" (Class C, account No. 115). If it is probable that funds can not be withdrawn within one year charge account No. 136, "Other suspense" (Class C, account No. 150), since in such cases the deposits could not be considered working assets of the company. (See Case 14.)

CASE 23.

Query. Should notes, given when money is borrowed under an arrangement requiring a series of partial payments which commence within a year but extend over a period longer than one year, be treated as funded debt or notes payable?

Answer. Such notes shall be treated as funded debt and credited to account No. 153, "Funded debt" (Class C, account No. 165).

CASE 24.

Query. A company makes deductions monthly from the salaries of its employees and credits the amounts deducted to a hospital fund account. Against this account are charged the expenses of employees at private hospitals. In what account on the balance-sheet statement shall the liability for the unexpended portion of such funds be shown?

Answer. Account No. 170, "Liability on account of provident funds" (Class C, account No. 190).

CASE 25.

Query. Section 9, page 32, of the Uniform System of Accounts for Class A and B companies provides that all property having an expected life of more than one year (except small tools) shall be charged to fixed capital. There are other items of small value, which, while having an expectation of life of more than one year, are difficult to keep record of and are likely to be lost. May such items be charged direct to operating expenses?

Answer. Individual items of small value (e. g., amounts less than \$5) classable as general equipment under accounts Nos. 260 to 265 (Class C, account 260), even though having an expectancy of life of more than one year, may be charged direct to the operating expense accounts or through the clearing accounts.

CASE 26.

Query. How should the "term of life" of items included in account No. 204, "Other intangible capital," be computed, especially in connection with those items referred to in section 13 of the Uniform System of Accounts for Class A and Class B companies?

Answer. The term of life of such intangible items should be determined by the purchasing company. In general, it should represent that period during which the intangible value may be expected to exist in the property apart from the life of the physical units to which it is related.

CASE 27.

Query. When a going or completed plant has been purchased, how should the appraisal be made of duplicate or otherwise useless items which must be retired by the purchasing company?

Answer. If it is reasonably certain at the time when the appraisal is completed that some items of property must be disposed of within a year after the date of purchase, such items may be appraised at their salvage value; otherwise at "structural value" (see sec. 13, p. 33, of the Uniform System of Accounts, Class A and B companies). Particular care must be taken to follow these retirements so that upon completion the prescribed accounting will have been effected.

CASE 28.

Query. Does the term "structural value" as used in section 13, page 33, of the Uniform System of Accounts for Class A and B companies, mean structural value to the buyer or to the seller?

Answer. The structural value to the buyer is meant.

CASE 29.

Query. What is the scope of the word "appraisal" as used in section 13, page 33, of the Uniform System of Accounts for Class A and B companies?

Answer. The requirement that an appraisal be made for all property purchased does not mean that the properties should necessarily be physically inventoried. When other and more economical methods exist for obtaining, with reasonable accuracy, the information required in the appraisal, it is permissible to use such other methods. If a physical inventory is not taken, however, records shall be kept showing upon what basis the appraisal was made and the facts, expert opinions, and estimates upon which the figures were determined.

CASE 30.

Query. What items should be classified as "going or completed plant" under section 13, page 33, "Plant and equipment and other property purchased" of the Uniform System of Accounts for Class A and B companies?

Answer. The term "going or completed plant" is intended to cover only the entire plant of a telephone company or an important unit thereof; such as—

- (1) A telephone company as a whole,
- (2) An entire central office,
- (3) A system of lines and stations within a given area, or
- (4) A complete section of toll plant.

The purchase by one company from another of several poles and appurtenances, a switchboard, or other minor portions of plant shall be treated in the same manner as the purchase of materials and supplies; i. e., the purchasing company shall charge the fixed capital accounts at cost, as provided in section 10, page 33, of the Uniform System of Accounts for Class A and B companies.

CASE 31.

Query. How should the following sentence, appearing in section 14, page 34, of the Uniform System of Accounts for Class A and B companies, be interpreted: "The entry of the credit to the fixed capital account should cite, by name and page of book or other record, the original entry of cost of the thing withdrawn"?

Answer. These instructions should be applied literally when large units of property, such as buildings, automobiles, large units of repair-shop machinery, and, in general, all other items which the company recognizes and records separately on its books, are involved. When small items and certain relatively large items are handled in such a volume as to require the use of averages, which are based upon accurate records, it is permissible to use average unit costs, and in such cases it will not be necessary to cite the original entry of cost of the thing withdrawn.

CASE 32.

Query. When private branch exchanges and booths and special fittings are retired from service and the fixed capital accounts credited, to what account should the original installation expense be charged?

Answer. Retirements of private branch exchanges and booths and special fittings shall be accounted for as provided in section 14, page 34 (Class C, sec. 13, p. 12) of the Uniform System of Accounts.

The treatment for the installation expense of stations as provided in account No. 607 (Class C, No. 620) is intended only for the retirements of stations and is not applicable to this class of property.

CASE 33.

Query. When contractors perform construction work for the telephone company what should be the accounting for amounts received from or paid to them under the following conditions:

(1) Amounts received in accordance with the terms of contract for delay in completion of work.

(2) Amounts received because of defective workmanship or material.

(3) Amounts received because of abrogation of contract in whole or in part.

(4) Amounts paid for completion of work before time specified.

Answer. (1) Amounts received, under the terms of the contract, for delayed completion of work shall be apportioned and credited to the accounts to which the cost of the work was charged. If, however, in connection with delayed construction additional amounts are collected in reimbursement of expenses incurred by or revenues lost to the telephone company, such amounts shall be credited to the appropriate revenue or expense accounts. (See Case 90.)

(2) If the telephone company corrects the defects, the cost of correcting shall be charged to the plant accounts and the amounts received from the contractor shall be credited to the accounts which were charged with the contract price. If the telephone company accepts the work without correcting the defective condition and charges the plant accounts with the full contract price, any amount recovered from the contractor shall be credited to the accounts which were charged with the contract price.

(3) Amounts received because of abrogation of contract shall be credited to account No. 401, "Miscellaneous additions to surplus" (Class C, account No. 195).

(4) Amounts paid for completion of work before time specified shall be apportioned and charged to the accounts to which the cost of the work was charged.

CASE 34.

Query. What shall be the accounting for improvements on leased buildings?

Answer. In the case of leases where substantially the full benefit of improvements will be obtained, the cost of additions to, and betterments of, leased property shall be charged to a subaccount under the appropriate fixed capital (plant and equipment) accounts. Depreciation and retirements in connection therewith shall be treated in the same manner as on company-owned property.

In the case of leases where ordinarily the full benefit of improvements will not be obtained and where any permanent improvements usually revert to the lessor at the expiration of the lease, the cost of improvements, including the moving of partitions and providing awnings, screens, shades, window ventilators, etc., shall be charged to account No. 133, "Other prepayments," (Class C,

account No. 145) and cleared over a suitable period to account No. 610, "Other maintenance expenses" (Class C, account No. 640). Ordinarily the clearance period should be the period of the lease, but a shorter period should be used if the conditions are such that the improvements will be retired before the expiration of the lease.

The ordinary current repairs, also minor rearrangements and changes in connection with the leased buildings, shall be charged to the appropriate maintenance or other operating expense accounts.

CASE 35.

Query. What should be the accounting for expenditures on property of others incurred in maintenance or construction work of the company?

Answer. Such expenditures, if borne by the company, shall be treated as a part of the cost of the work being conducted by the company, e. g., if in the construction of a toll pole line the company is obliged to relocate property of another company, the cost shall be charged to account No. 251, "Toll pole lines" (Class C, account No. 250).

CASE 36.

Query. What should be the accounting for donations received in aid of construction?

Answer. The cost of construction shall be charged to the fixed capital (or plant and equipment) accounts in accordance with the rules contained in the Uniform Systems of Accounts.

Donations received from States, counties, municipalities, and other governmental bodies shall be credited to a subaccount entitled "Grants in aid of construction," and carried under No. 171, "Surplus invested since December 31, 1912, in fixed capital" (Class C, account No. 195). While such donations should be separately carried under an appropriate liability account and not classified as surplus, they may, until such time as the systems of accounts are reissued, be carried under account No. 171 (Class C, No. 195), as the most available under the current systems of accounts.

Donations received from individuals, firms, and corporations shall be credited to account No. 401, "Miscellaneous additions to surplus" (Class C, account No. 195). If such donations are not subject to distribution as dividends, Class A and B companies shall also charge the amounts thereof to account No. 415, "Appropriations of surplus for construction, equipment, and betterments," and credit account No. 171, "Surplus invested since December 31, 1912, in fixed capital."

CASE 37.

Query. What should be the accounting when a company sells a part of its property for a lump sum?

Answer. The primary fixed capital (plant and equipment) accounts involved shall be credited with amounts carried therein with respect to the property sold. The difference between the total amount thus credited and the amount received shall be treated as provided in section 14, page 34, of the Uniform System of Accounts for Class A and B companies; section 13, page 12, for Class C companies.

CASE 38.

Query. What should be the accounting when a telephone company grants to others for a lump sum a so-called permanent right (not right of way) to use a part of its property, or acquires similar rights?

Answer. The amounts received from the granting of such rights shall be credited, in total, by the grantor to a subaccount "Property rights granted—Cr." under account No. 274, "Miscellaneous construction expenditures" (Class C, account No. 270).

The amounts paid for such rights shall be charged, in total, by the grantee to a subaccount "Property rights acquired" under account No. 274, "Miscellaneous construction expenditures" (Class C, account No. 270).

If the grantor subsequently reacquires any of the rights originally granted the subaccount "Property rights granted—Cr." shall be debited with the amount at which such rights are carried in that account. Similarly, if the grantee relinquishes any rights on the property of others, it shall credit the subaccount "Property rights acquired" with the amount at which such rights are carried in that account.

While these items differ from those usually carried in account No. 274, "Miscellaneous construction expenditures" (Class C, account No. 270) they may until such time as the systems of accounts are revised, be carried in that account under the subaccounts specified as the most available treatment under the current systems of accounts.

CASE 39.

Query. What should be the accounting for amounts paid for temporary rights, such as pole or other attachments (not right of way), on the property of others, and for amounts received for similar rights given?

Answer. If compensation therefor is paid or received currently, the company obtaining such rights shall charge amounts paid to the appropriate rent deduction accounts, while the company giving such rights shall credit the appropriate rent account under Operating Revenues or Income.

If a lump sum is paid or received in advance for such rights, that amount should be given the usual treatment accorded prepaid items and cleared to the appropriate rent deduction or rent revenue accounts during the period covered by the right.

CASE 40.

Query. Should the fixed capital accounts be charged with any portion of the pay and expenses of employees who are primarily engaged in maintenance and operation but who devote part of their time to construction work?

Answer. An equitable proportion of the salaries and expenses of such employees may be charged to the fixed capital (or plant and equipment) accounts, but no charges shall be made to these accounts for merely incidental services of officers and employees whose time is regularly devoted to the operation and maintenance of the plant.

CASE 41.

Query. To what account should be charged fees and expenses of attorneys other than regular employees of the company engaged in the preparation of legal papers required in the merger of one company with another?

Answer. Account No. 201, "Organization" (Class C, account No. 200).

CASE 42.

Query. To what account should be charged the cost of plant or supplies given or leased to a municipality under the requirements of a franchise, minute ordinance, resolution, contract, or other agreement?

Answer. If given as an initial consideration for a franchise extending for more than one year, charge account No. 202, "Franchises" (Class C, account No. 200); if given annually or at shorter periods charge account No. 673, "Telephone franchise requirements" (Class C, account No. 680).

If plant owned by the company is rented to a municipality without charge, charge first cost to the appropriate fixed capital (plant and equipment) accounts. Any maintenance costs incurred on such plant shall be charged to the appropriate maintenance accounts. (*See Case 103.*)

CASE 43.

Query. To what account should be charged the cost to the company of sidewalks on public streets abutting the company's property?

Answer. Account No. 211, "Land" (Class C, account No. 210).

CASE 44.

Query. What should be the accounting for pay station and other signs?

Answer. Signs shall be classified and accounted for as follows:

(1) General company signs, usually showing name of company and of a somewhat permanent character—

(a) Cut in stone or painted on buildings or general equipment: If in connection with company-owned buildings or equipment, charge appropriate fixed capital (or plant and equipment) account for buildings, general equipment, etc.

(b) Metal or wooden signs: Class as general equipment and charge appropriate fixed capital (or plant and equipment) account.

(c) Repairs and replacements shall be treated in the same manner as repairs and replacements of other telephone plant.

(2) Departmental signs, usually placed on doors, windows, or walls for the guidance of the public, but not for the purpose of attracting traffic, and generally of relatively short life: Charge appropriate expense account of particular department involved, except for the first cost of signs in a new company-owned building, which should be treated as part of the cost of the building.

(3) Public signs, installed to attract traffic and for guidance to public pay stations—

(a) If of relatively large value and long life, e. g., large electric signs, class as general equipment and charge appropriate fixed capital (or plant and equipment) account. Expenses in connection with such signs shall be charged to account No. 642, "Advertising" (Class C, No. 680).

(b) If of small value or short life, e. g., metal, glass, paper, cardboard, or decalcomania devices, charge the cost to account No. 642 (Class C, No. 680).

CASE 45.

Query. To what account should be charged the cost of a retaining wall built on a company-owned lot?

Answer. Account No. 212, "Buildings" (Class C, account No. 210).

CASE 46.

Query. Should account No. 212, "Buildings" (Class C, account No. 210), include all items classified in the definition of this account without regard to the amount involved?

Answer. No. When single additions to or replacements in buildings are of small amount (for example, less than \$5), the expenditure may be charged direct to the operating expense accounts or through the clearing accounts (*See Case 25.*)

CASE 47.

Query. How should company-owned telephone equipment, installed and maintained by a railroad company or by other lessee, be carried in the asset accounts?

Answer. Charge the cost to the telephone company of such items to account No. 220, "Central office equipment," or account No. 230, "Station equipment," or the subaccounts thereunder (Class C, account No. 220 or No. 230), as may be appropriate.

CASE 48.

Query. To what account should be charged the cost of protectors installed in connection with central-office telephone equipment?

Answer. Such protectors when installed within a central-office building, whether mounted on the main distributing frame, or on racks, or in a box attached to the interior building wall, shall be charged to account No. 221, "Central-office telephone equipment" (Class C, account No. 220). If mounted outside the building, the charge shall be made to the appropriate cable or wire account.

CASE 49.

Query. To what account should be charged the cost of creating phantom circuits?

Answer. Account No. 221, "Central office telephone equipment" (Class C, account No. 220), and the appropriate cable or wire accounts (exchange or toll), according to the class of plant worked upon.

CASE 50.

Query. To what account should be charged the cost of a balcony built to reach the upper part of the main frame?

Answer. Account No. 221, "Central office telephone equipment" (Class C, account No. 220).

CASE 51.

Query. To what account should be charged the cost of loading coils installed on poles, or in test stations and central offices?

Answer. Loading coils designed primarily for use on poles should be charged to the same account as is charged the circuit of which they are a part, even though such loading coils may occasionally be used in central offices or test stations.

Loading coils designed primarily for use in central offices should be charged to account No. 221, "Central office telephone equipment" (Class C, account No. 220).

CASE 52.

Query. To what account should be charged the initial cost of furniture and fixtures and the cost of repairs and replacements thereof?

Answer. (1) The first cost of furniture and fixtures shall be charged to the fixed capital accounts as follows:

Class A and B companies charge to—

No. 222. "Other equipment of central offices."—Furniture and fixtures in the operating and terminal rooms of central offices, in operators' schools and in rest and lunch rooms.

No. 235. "Booths and special fittings."—Furniture and fixtures at public pay stations.

No. 261. "Office furniture and fixtures."—Furniture and fixtures in general offices, division offices, and plant, traffic and commercial offices.

No. 262. "General shop equipment."—Furniture and fixtures in shops.

No. 263. "General store equipment."—Furniture and fixtures in storerooms and storehouses.

No. 264. "General stable and garage equipment."—Furniture and fixtures in stables and garages.

Class C companies charge to—

No. 220. "Central office equipment."—Furniture and fixtures in the operating and terminal rooms of central offices, in operators' schools and in rest and lunch rooms.

No. 260. "General equipment."—Other furniture and fixtures.

(2) The cost of repairs of furniture and fixtures, and of replacements when provision for replacements has not been made in the depreciation reserve shall be charged to the operating expense and clearing accounts, as follows:

Class A and B companies charge to—

No. 604. "Repairs of central office equipment."—The expense on furniture and fixtures carried in account No. 222.

No. 605. "Repairs of station equipment."—The expense on furniture and fixtures carried in account No. 235.

No. 666. "Other general office supplies and expenses."—The expense on furniture and fixtures carried in account No. 261, except where separate offices are maintained for the plant, traffic, or commercial forces, in which case the expenses should be charged to accounts Nos. 706, 621 to 633, inclusive, or 640 to 650, inclusive, respectively.

No. 701. "Shop expense."—The expense on furniture and fixtures in shops.

No. 702. "Stable and garage expense."—The expense on furniture and fixtures in stables and garages.

No. 704. "Supply expense."—The expense on furniture and fixtures in storerooms and storehouses.

Class C companies charge to—

No. 610. "Repairs of equipment."—The expense on furniture and fixtures carried in account No. 220.

No. 680. "Other general expenses."—The expense on furniture and fixtures carried in account No. 260.

(3) The cost of replacements of furniture and fixtures, when provision for the replacements has been made in the Depreciation Reserve, shall be handled through the fixed capital (or plant and equipment) accounts; that is, the cost of the property retired or replaced shall be credited to the appropriate fixed capital (or plant and equipment) accounts and the new property shall be charged thereto.

(4) Inventories or appraisals of the furniture and fixtures in use should, from time to time (preferably annually), be made at cost prices (estimated, if not known) and the fixed capital (plant and equipment) accounts shall be

adjusted to the inventoried or appraised figures by charging or crediting the appropriate expense accounts or the depreciation reserve, if the latter account is affected.

(5) Companies whose investment in furniture and fixtures is not set up in accordance with the foregoing paragraphs may, upon obtaining special authority from the Commission, make the necessary adjustments in their fixed capital (plant and equipment) accounts.

(6) When furniture is used jointly by two or more departments, the principal function for which it is used should determine the fixed capital (plant and equipment) account to which the initial costs should be charged. Repairs and replacements of such furniture should be charged to the particular account under (2) or (3) above, in conformity with the plant account to which the cost of the furniture was charged.

CASE 53.

Query. What should be the accounting for the cost of awnings, door and window screens, window shades, and analogous items when installed in owned buildings?

Answer. These items are classed as furniture and fixtures and the initial cost, the cost of replacements, and the cost of repairs shall be accounted for in the same manner as for furniture and fixtures. (See Case 52.)

However, when a building is occupied by several departments of a telephone company, the cost of awnings, door and window screens, window shades, and analogous items, wherever installed, may at the option of the accounting company be charged to account No. 261, "Office furniture and fixtures" (Class C, account No. 260); in such cases, the maintenance expenses shall be charged to account No. 707, "House service expense" (Class C, account No. 640).

CASE 54.

Query. What accounts should be charged with the cost of chemical fire extinguishers?

Answer. Such equipment should be classed as furniture and fixtures and charged accordingly. (See Case 52.)

CASE 55.

Query. To what account should be charged the cost of "order table systems" installed for the use of department stores or other subscribers?

Answer. The cost of the order table, including the table wiring, equipment, table telephone sets and cost of installation, shall be charged to account No. 234, "Private branch exchanges" (Class C, account No. 230).

CASE 56.

Query. To what account should be charged the cost of pumping water out of manholes and of cleaning manholes and ducts to permit installation of new cable or for repair work on existing cables?

Answer. The expense of necessary pumping or cleaning in connection with the maintenance or operation of the plant shall be charged to account No. 603, "Repairs of underground plant" (Class C, account No. 600).

The cost of any pumping or cleaning in connection with new construction and not necessary in the maintenance or operation of the plant shall be charged to the appropriate fixed capital (plant and equipment) accounts.

CASE 57.

Query. To what account should be charged the installation cost of bridle-wire cables used to connect open-wire circuits with cable circuits or with central office equipment?

Answer. When used to connect open-wire circuits with cable circuits, charge aerial, underground, or submarine cable, toll or exchange, in accordance with the classification of the cable connected.

When used to connect open-wire circuits with central-office equipment, charge aerial or underground cable, toll or exchange, in accordance with the nature of the run to the central office, and the classification of the circuits on the pole line.

CASE 58.

Query. To what account should be charged the cost of electrolytic surveys made to ascertain the cable protection needed against electrolysis?

Answer. The original cost shall be charged to the cable construction account or accounts involved. Later surveys made during the life of such cable shall be charged to the repair accounts.

CASE 59.

Query. A type of cable is inclosed in a sheath of oakum and steel and is used underground without conduit or concrete. To what account should be charged the cost in place of such cable, including the cost of trench digging?

Answer. Account No. 245, "Exchange underground cable," or No. 255, "Toll underground cable" (Class C, accounts Nos. 240 or 250), as may be appropriate.

CASE 60.

Query. To what account should be charged the cost of a bond or negative return attached to the cable sheath, together with an electrolysis bond opener connected therein, and of plant to carry such apparatus?

Answer. Charge the cost of the bond or negative return and the bond opener to the same account as the cable protected. Charge the cost of the ducts, cross arms, poles, right of way, etc., used to carry such apparatus (or any portion thereof paid for by the accounting company) to the regular fixed capital (or plant and equipment) accounts. Attachment rentals paid to other companies for such privileges shall be charged account No. 332, "Rent deductions for conduits, poles and other supports" (Class C, account No. 680).

CASE 61.

Query. To what account should be charged the expense of special protection at a high potential line crossing?

Answer. Whether installed on the company's telephone lines or on the high potential line, charge account No. 241, "Exchange pole lines," or account No. 251, "Toll pole lines" (Class C, account No. 240 or No. 250), as may be appropriate with the original cost of the protective work, and charge any subsequent repairs thereon to account No. 602, "Repairs of aerial plant" (Class C, account No. 600).

CASE 62.

Query. Is it permissible to adjust the fixed capital accounts for general equipment upon the basis of periodical inventories to correct discrepancies arising during the year?

Answer. Yes. Adjustments to correct discrepancies arising during the current year may be made in accounts Nos. 260 to 265, inclusive (Class C, account No. 260). Concurrent charges or credits should be made to the appropriate expense accounts or to the depreciation reserve account, if the latter is affected. (See Case 52).

CASE 63.

Query. To what account should be charged the cost of cabinets, frames, and plates used with addressing machines?

Answer. The cabinets shall be charged to account No. 261, "Office furniture and fixtures" (Class C, account No. 260).

The frames, plates (or cards), and similar material, when purchased for revenue accounting purposes, should be charged to account No. 646, "Revenue accounting," otherwise to the appropriate expense account for printing and stationery (Class C, account No. 680).

CASE 64.

Query Is it permissible to charge to account No. 268, "Interest during construction" (Class C, account No. 270) interest on the company's working funds used in construction work? If so, to what account should such interest be credited?

Answer. Account No. 268, "Interest during construction" (Class C, account No. 270) may be charged with interest accruing on the company's working funds used in construction work. If this is done a subaccount under account No. 818, "Interest revenues" (Class C, account No. 820) shall be credited.

CASE 65.

Query. To what account should be charged insurance premiums paid on construction material or on equipment or structures under construction?

Answer. Insurance premiums paid on construction material or on equipment or structures under construction shall be charged to specific plant accounts when direct allocation to such plant accounts is possible.

When such allocation is not possible, apportion the cost of premiums over the appropriate plant accounts or charge to account No. 274, "Miscellaneous construction expenditures" (Class C, account No. 270).

CASE 66.

Query. What should be the accounting for premiums on liability insurance covering accidents to persons or damages to the property of others during construction or operations?

Answer. Charge the cost of premiums to account No. 668, "Insurance" (Class C, account No. 680). Subsequently, the proportion of the premiums applicable to construction shall be credited to account No. 668 (Class C, 680) and charged to the particular plant accounts where direct allocation is possible. When such allocation is not possible, apportion the cost of premiums over the appropriate plant accounts or charge to account No. 274, "Miscellaneous construction expenditures" (Class C, account No. 270).

Premiums incident to construction work only shall be charged direct to the plant accounts affected or to account No. 274 (Class C, No. 270).

CASE 67.

Query. When funded debt securities which mature serially are sold in one lot at a flat discount rate upon the entire par value, how should the discount be amortized?

Answer. The discount and expense shall be charged to account No. 135, "Unamortized debt discount and expense" (Class C, account 150) and amortized through charges to account No. 338, "Amortization of debt discount and expense" (Class C, account 370) in such manner that the ratio between the amortization charges and the principal of the securities outstanding will be uniform for all fiscal periods.

For example: A company issues five \$1,000 bonds, one maturing each year.

The debt discount and expense on the issue are \$450. The distribution of the discount and expense should be as follows:

First year, principal outstanding, \$5,000; amortization charge (rate, 3 per cent), \$150.

Second year, principal outstanding, \$4,000; amortization charge (rate, 3 per cent), \$120.

Third year, principal outstanding, \$3,000; amortization charge (rate, 3 per cent), \$90.

Fourth year, principal outstanding, \$2,000; amortization charge (rate, 3 per cent), \$60.

Fifth year, principal outstanding, \$1,000; amortization charge (rate, 3 per cent), \$30.

CASE 68.

Query. To what account should be charged the cost of printing handbooks containing plant-accounting instructions and the cost of badges furnished plant department employees?

Answer. Account No. 706, "Plant supervision expense" (Class C, account No. 640).

CASE 69.

Query. To what account should be charged the expense of an examination of titles of real property and other matters affecting the validity of an issue of bonds?

Answer. If such expense is incurred in connection with the issuance of bonds it shall be charged to account No. 135, "Unamortized debt discount and expense" (Class C, account No. 150) and written off by charges to account No. 338, "Amortization of debt discount and expense" (Class C, account No. 370). If the expense has been incurred in a suit to test the validity of the bond issue it shall be charged to account No. 667, "General law expenses" (Class C, account No. 680).

CASE 70.

Query. How should the phrase "include as nearly as may be possible the total amount of the taxes in the period to which they apply," given in section 16, page 47, of the Uniform System of Accounts for Class A and B companies, be applied?

Answer. (1) Tax assessments for the Federal income tax, State gross revenue taxes and other large and important taxes pertaining to definite and known fiscal periods of the Federal Government, State or other large taxing districts, should be accrued through the months of the fiscal period to which the tax applies. At the end of a company's fiscal year, the sum of the monthly

accruals should equal the estimated liability of the company as of that date for this class of taxes and, at the end of the period for which any tax is assessed, the accruals should equal the total of the tax assessment.

(2) Tax assessments, such as for school taxes, property taxes, poll taxes, wire mileage taxes, etc. (comprising the major portion of tax items), usually assessed by local authorities and covering fiscal periods more or less uncertain, may be accrued through the months of the fiscal period *in which they must be paid*. At the end of the company's fiscal year, the monthly accruals made during the year should equal *payments*. In making accruals, it is unnecessary to consider each tax separately, but rather the whole class should be considered by means of general comparisons with similar periods of preceding years, expected changes, etc.

CASE 71.

Query. What should be the accounting for taxes on materials and supplies carried in stock?

Answer. Taxes on materials and supplies carried in stock should, as a general rule, be charged to account No. 305, "Taxes assignable to operations" (Class C, account No. 350). In specific cases, however, where materials and supplies are definitely assigned to be used in construction work, the proportion of taxes applicable to such materials and supplies may be allocated to the appropriate plant accounts or charged to account No. 273, "Taxes during construction" (Class C, account No. 270).

CASE 72.

Query. When the expenses of a State utilities commission are borne by the utilities and apportioned among them, to what account should be charged a company's proportion of such expenses?

Answer. Account No. 305, "Taxes assignable to operations" (Class C, No. 350).

CASE 73.

Query. To what accounts should be charged the cost, when borne by the company, of internal revenue stamps required under the act entitled "An act to increase the internal revenue, and for other purposes," approved October 22, 1914?

Answer. The cost of internal revenue stamps purchased directly from the Government or its agents should, as a general rule, be charged to account No. 305, "Taxes assignable to operations" (Class C, account No. 350). In important and exceptional cases other appropriate accounts shall be charged; e. g., the expense of stamps in connection with new issues of capital stock shall be charged to account No. 201, "Organization" (Class C, account No. 200); the expense of stamps in connection with new construction work shall be charged to the appropriate fixed capital (plant and equipment) accounts, and the expense of stamps in connection with the issuance of funded debt shall be charged to account No. 135, "Unamortized debt discount and expense" (Class C, account No. 150) and amortized over the life of the debt.

Indirect expenditures for internal revenue stamps shall be charged to the appropriate departmental or other accounts; e. g., when an express company affixes stamps to bills of lading and transfers the charge to the telephone company the cost should be included as a part of the cost of transportation.

CASE 74.

Query. To what account should franchise taxes paid periodically be charged?

Answer. Account No. 305, "Taxes assignable to operations" (Class C, account No. 350).

CASE 75.

Query. To what account should be credited rentals from instruments leased to connecting companies?

Answer. Account No. 311, "Miscellaneous rent revenues" (Class C, account No. 320). This does not apply to the case where instruments and general supervision are furnished under an agreement for apportioning the revenues of the licensee. In this case, account No. 526, "Licensee revenue—Cr." (Class C, account No. 530) shall be credited.

CASE 76.

Query. When in connection with collateral trust bonds, the trustee holds certain securities against the contingency of default by the debtor company, the income on such collateral being the property of the debtor company, to what account should such income be credited?

Answer. Account No. 312, "Dividend revenues" or account No. 313, "Interest revenues" (Class C, account No. 320) as may be appropriate.

CASE 77.

Query. What is the significance of the phrase "if the fund is required to be represented by a reserve" in Note B under Class A and B account No. 314, "Sinking and other reserve fund accretions"?

Answer. The phrase refers to the provision of the deed of trust or other contract, or to the policy of the company, and not to any requirement of the Uniform System of Accounts.

CASE 78.

Query. The text of accounts No. 335, "Interest deductions for funded debt" (Class C, account No. 360), and No. 314, "Sinking and other reserve fund accretions," excludes interest on securities issued or assumed by the company. A company has in a sinking fund both securities of its own issue and securities assumed by it, the interest on which under the terms of the mortgage is to accumulate in the fund. What should be the accounting for such interest?

Answer. If the deed of trust or policy of the company requires that the interest accruing on such securities accumulate to the sinking fund, the accounting for the interest shall be as follows:

(1) Class A and B companies shall charge amounts equal to such interest to account No. 350, "Appropriations of income to sinking and other reserve funds," and credit similar amounts to account No. 172, "Surplus invested in sinking funds." When the cash is turned over to the trustees, or to the fund, charge account No. 125, "Sinking fund assets," and credit account No. 113, "Cash." If no reserve is to be set up to cover the fund the charge to account No. 350 and credit to account No. 172 should be omitted.

(2) Class C companies shall charge amounts equal to such interest to account No. 370, "Miscellaneous charges to income," and credit a subaccount under account No. 195, entitled "Surplus invested in sinking funds." When the cash is turned over to the trustees or to the fund, charge account No. 140, "Special

funds," and credit account No. 115, "Cash." If no reserve is to be set up to cover the fund, the charge to account No. 370 and credit to account No. 195 should be omitted.

CASE 79.

Query. To what account should be charged the amounts of bills covering the sale of small quantities of supplies or the cost of work done for others, which have proved to be uncollectible?

Answer. Account No. 323, "Uncollectible nonoperating revenues" (Class C, account No. 680). Charges to subscribers for moves and changes of telephone equipment which have been credited to account No. 607, "Station removals and changes" (Class C, account No. 620), in anticipation of collection, and which have proved to be uncollectible, shall be charged to account No. 607 (Class C, No. 620).

CASE 80.

Query. What should be the accounting for maintenance and operating expenses in connection with, and rents received from, space leased to others in buildings partly occupied by the telephone company?

Answer. If the expenses of maintaining and operating the rented portion can be separated accurately from the expenses on the portion used by the company, such expense shall be charged to account No. 320, "Rent expense" (Class C, account No. 320), and the rent received shall be credited to account No. 311, "Miscellaneous rent revenues" (Class C, account No. 320). The expense on the portion of building used by the company shall be charged to the appropriate operating expense accounts.

If the expense on the rented portion can not be separated accurately, the entire expense shall be charged to the operating expense accounts, and the rent received shall be credited to account No. 505, "Minor rents of exchange plant" (Class C, account No. 500) if building is used by the company exclusively for exchange purposes, to account No. 515, "Minor rents of toll plant" (Class C, account No. 510) if building is used exclusively for toll purposes, or to account No. 524, "Rents from other operating property" (Class C, account No. 520) if building is used for both exchange and toll purposes.

In the case of a large property, where the company uses only a minor portion and the expenses can be apportioned on an equitable basis, it is desirable to use accounts Nos. 311 and 320 (Class C, No. 320).

CASE 81.

Query. What should be the accounting when a lessee company pays interest or dividends on the securities of a lessor company in accordance with the terms of the rental agreement between them?

Answer. The amounts so paid shall be charged by the lessee to account No. 330, "Rent deductions for lease of telephone plant" (Class C, account No. 370), and credited by the lessor to account No. 310, "Rent revenues from lease of telephone plant" (Class C, account No. 320).

CASE 82.

Query. To what account should be charged the cost of minor work done in lieu of cash payments for pole locations, poles, and other supports, e. g., main-

tenance of telegraph lines of a railroad company in return for right-of-way privileges?

Answer. Account No. 602, "Repairs of aerial plant" (Class C, account No. 600).

CASE 83.

Query. To what account should be charged amounts paid periodically to a railroad company for permission to cross its right of way, the right being reserved to revoke the permission at pleasure?

Answer. Account No. 334, "Miscellaneous rent deductions" (Class C, account No. 680).

CASE 84.

Query. To what account should be charged rents paid for pole locations?

Answer. Account No. 332, "Rent deductions for conduits, poles, and other supports" (Class C, account No. 680).

CASE 85.

Query. To what account should be charged rents paid for the use of circuits?

Answer. Account No. 334, "Miscellaneous rent deductions" (Class C, account No. 680).

CASE 86.

Query. What should be the accounting when property leased by the accounting company is subleased, in whole or in part, to others?

Answer. Property subleased to others shall be accounted for as if the accounting company were leasing its own property.

If, however, the accounting company acts only in the capacity of an agent without profit in leasing property for others, the receipts from lessee and the payments to lessor may be applied to the same primary account or cleared through a suspense account.

CASE 87.

Query. The coupons on certain securities contain a stipulation that if not paid on date of maturity the coupons shall bear interest from that date. To what account should the interest on the coupons be charged?

Answer. Account No. 336, "Other interest deductions" (Class C, account No. 360).

CASE 88.

Query. A company sells short-term notes because the money market does not warrant the sale of the bonds which are deposited as collateral for the notes. Is it permissible to spread the discount on the notes over the life of the bonds, treating the sale and retirement of both notes and bonds as one transaction?

Answer. The sale and retirement of the notes shall be separately considered and the discount suffered on the notes shall be charged to account No. 336, "Other interest deductions" (Class C, account No. 360).

CASE 89.

Query. To what account should be charged interest paid on taxes overdue and unpaid?

Answer. Account No. 336, "Other interest deductions" (Class C, account No. 360).

CASE 90.

Query. What should be the accounting treatment in connection with delayed items of revenue, expense, or income?

Answer. Delayed items of revenue, expense, or income shall be credited or charged to the same account as would have been credited or charged if the items had been taken up in the period to which they pertained. If, however, the amounts involved are deemed sufficient to impair comparisons unduly and the company does not desire to charge them to the current accounts, adjustments may be made through the surplus or deficit accounts (Class A and B, accounts Nos. 401 and 417; Class C, account No. 195) upon obtaining special authority from the Interstate Commerce Commission.

CASE 91.

Query. What should be the accounting treatment in connection with adjustments of errors in the revenue, expense, and income accounts of a prior fiscal year?

Answer. Errors in the revenue, expense, and income accounts of a prior fiscal year should be adjusted through the revenue, expense, and income accounts, respectively, of the year in which the errors are discovered. If, however, the amounts involved are deemed sufficient to impair comparisons unduly and the company does not desire to charge them to the current accounts, adjustments may be made through the surplus or deficit accounts (Class A and B, accounts Nos. 401 and 417; Class C, account No. 195) upon obtaining special authority from the Interstate Commerce Commission.

CASE 92.

Query. To what account should be credited an amount received for the surrender of an unexpired lease on property?

Answer. Account No. 401, "Miscellaneous additions to surplus" (Class C, account No. 195).

CASE 93.

Query. When the securities of a telephone company are reacquired, and then resold at a price other than par, what should be the accounting for the difference between the sale price and the par value?

Answer. Credit any profit to account No. 401, "Miscellaneous additions to surplus" (Class C, account No. 195), and debit any loss to account No. 417, "Other deductions from surplus" (Class C, account No. 195). The discount and premium accounts referred to in section 6, "Discount and premium on capital stock," and section 7, "Discount, expense and premium on funded debt," in the Uniform System of Accounts (Class C, accounts Nos. 150 and 190), are provided only for the initial sales of securities and are not applicable to the class of transaction under consideration.

CASE 94.

Query. What should be the accounting for funds on deposit with a bank which has failed?

Answer. Pending the determination of the actual loss, such amounts shall be carried in account No. 136, "Other suspense" (Class C, account No. 150). When determined, the amount lost shall be charged to account No. 675, "Other general expenses" (Class C, No. 680); amounts recovered thereafter shall be credited to account No. 675 (Class C, No. 680).

CASE 95.

Query. What should be the accounting for amounts billed subscribers under the following conditions:

(1) When the bill is rendered in gross amount and a discount allowed for payment within a specified period.

(2) When the bill is rendered in net amount and an additional amount is charged to subscribers who do not make settlement within a specified period.

Answer. (1) Either the gross or net amount of the bills may be recorded on the subscribers' ledger at the time the bills are rendered.

(a) If the gross amount of the bills is recorded on the subscribers' ledger, such discounts as are taken by subscribers shall be credited to their accounts and charged to account No. 500, "Subscribers' station revenues" (Class C, account No. 500), or other account to which the gross amount of the bill was previously credited.

(b) If the net amount of the bills is recorded on the subscribers' ledger, discounts neglected shall be entered against the appropriate subscribers' accounts at the end of the discount period and credited to account No. 500, "Subscribers' station revenues" (Class C, account No. 500), or other account to which the net amount of the bill was previously credited.

(2) The net amount of the bill shall be recorded on the subscribers' ledger. When the specified time for payment expires, the additional amount charged shall be entered against the accounts of such subscribers as have not made settlement and credited to account No. 500, "Subscribers' station revenues" (Class C, account No. 500), or other account to which the net amount of the bill was previously credited.

CASE 96.

Query. The text of Class A and B account No. 304 permits companies to carry a subaccount under account No. 118, "Due from subscribers and agents," comprising a reserve for uncollectible revenue accounts. If this subaccount is kept, should it be closed out at the end of each year or may a balance be carried forward to the succeeding year?

Answer. If this method of accounting for uncollectible operating revenues is followed, there should be carried forward in this subaccount to the succeeding year a balance representing as nearly as possible that proportion which will prove to be uncollectible of the total amount of outstanding bills for operating revenues.

If Class C companies desire to set up a reserve for uncollectible operating revenues, monthly charges should be made to account No. 370, "Miscellaneous charges to income," and concurrent credits to a subaccount under account No. 125, "Due from subscribers and agents." The balance in this subaccount at the end of the year should be treated as provided in the above paragraph. (See Case 97.)

CASE 97.

Query. What should be the accounting for operating revenues charged off as uncollectible but recovered later upon resumption of service or otherwise?

Answer. Credit the subaccount comprising the reserve for uncollectible accounts under account No. 118, "Due from subscribers and agents" (Class C, accounts No. 125), if such subaccount is kept; otherwise credit account No. 304, "Uncollectible operating revenues" (Class C, account No. 370). (See Case 96.)

CASE 98.

Query. To what account should be charged permit fees paid to municipalities, counties, and other governmental bodies in connection with the initial location of poles or conduits?

Answer. Account No. 207, "Right of way" (Class C, accounts Nos. 240 or 250, as may be appropriate).

CASE 99.

Query. To what account should be credited amounts received from other telephone companies as compensation for the terminal handling of toll messages?

Answer. Account No. 510, "Message Tolls" (Class C, account No. 510). In general, message toll revenue includes (1) the revenue from messages transmitted entirely over the company's own toll lines, (2) the company's proportion of revenue (usually termed "prorate" or "mileage") from messages transmitted partly over the company's own toll lines and partly over the toll lines of other companies, (3) amounts received as compensation for switching messages between the toll lines of other companies, and (4) commissions or amounts representing a division of revenue received as compensation for originating or terminating toll messages of other companies.

CASE 100.

Query. What should be the accounting for slugs, etc., and for counterfeit or mutilated coins collected from coin box stations?

Answer. Any necessary adjustment for such items shall be made through the Operating Revenue accounts since these shall include in such cases only the face value of the legal tender coin collected.

CASE 101.

Query. To what account should be charged amounts paid subscribers for directory or traffic service errors affecting telephone service?

Answer. Abatements of charges billed subscribers when allowed for directory or traffic service errors affecting telephone service shall be charged to the operating revenue account or accounts previously credited with respect to the particular service. (See sec. 19, p. 60, for Class A and B companies; accounts 500 and 510 for Class C companies.) Any additional payments resulting from such errors shall be charged to account No. 669, "Accidents and damages" (Class C, account No. 680).

CASE 102.

Query. To what account should be charged amounts paid in connection with errors in directory advertising?

Answer. Abatements of charges allowed for directory advertising errors shall be charged to account No. 523, "Advertising and directory" (Class C, account No. 520). Any additional payments resulting from such errors shall be charged to account No. 669, "Accidents and damages" (Class C, account No. 680).

CASE 103.

Query. What should be the accounting when telephone service is given at other than standard rates?

Answer. (1) If given to employees, ministers, charitable institutions, etc., credit the revenue accounts with the actual amounts, if any, charged for the service. No adjustment shall be made between the revenue and other accounts for the reduction from standard rates.

(2) If given in accordance with specific franchise requirements, including service given to municipalities for right of way, pole location, etc., charge the standard rates for such service to account No. 673, "Telephone franchise requirements" and credit similar amounts to account No. 676, "Telephone franchise requirements—Cr." (Class C, companies shall not include such items in either the revenue or expense accounts). (See Case 42.)

(3) If given for specific return other than to municipalities, e. g., for rights of way, advertising, etc., credit the revenue accounts at the standard rates for such service. Any reduction from standard rates shall be charged to the appropriate expense or income deduction account.

CASE 104.

Query. To what accounts should the exchange revenue from hotel or department store contracts and from guarantee coin box exchange service be credited?

Answer. 1. When such service is established specifically for general public use, the revenue shall be credited to account No. 501, "Public pay station revenues" (Class C, account No. 500) as follows:

(a) The total amount of the exchange service revenue billed under contract, or the amount collected with respect to exchange service from the coin box if equal to or in excess of the guarantee. Any commission or amount retained by or paid to the guarantor shall be charged account No. 648, "Pay station commissions" (Class C, account No. 680).

(b) The full amount of the guarantee if the amount collected from the coin box with respect to exchange service is less than the guarantee.

(2) When such service is not established specifically for general public use, the exchange service revenue billed or the full amount of the guarantee, plus whatever net additional amount is due the telephone company, shall be credited to account No. 500, "Subscribers' station revenues" (Class C, account No. 500).

(3) In exceptional cases when a telephone system, owned by a hotel, store, or other establishment, receives central-office service from the company, the revenue shall be credited to account No. 503, "Service stations" (Class C, account No. 500).

CASE 105.

Query. What is the proper accounting for messenger service receipts and disbursements which are incident to delivering messages and notifying persons of calls at telephone stations?

Answer. Messenger service revenue from subscribers and other telephone companies shall be credited to account No. 520, "Messenger service" (Class C, account No. 520).

The salaries paid to messengers who are in the company's employ shall be charged to account No. 630, "Messenger service" (Class C, account No. 660). Amounts paid to messengers who are not in the company's employ and amounts collected for and paid to other telephone companies for messenger service shall be charged to account No. 520, "Messenger service" (Class C, account No. 520).

CASE 106.

Query. To what account should be credited the rent received for rooms leased to the local manager for personal (nonofficial) use in a building rented by the telephone company for central office purposes?

Answer. Account No. 505, "Minor rents of exchange plant" (Class C, account No. 500) if building is used by the company exclusively for exchange purposes, to account No. 515, "Minor rents of toll plant" (Class C, account No. 510) if building is used exclusively for toll purposes, or to account No. 524, "Rents from other operating property" (Class C, account No. 520) if building is used for both exchange and toll purposes.

CASE 107.

Query. To what account should be credited unclaimed refunds on telephone service?

Answer. Account No. 525, "Other miscellaneous revenue" (Class C, account No. 520).

CASE 108.

Query. To what account should be credited unclaimed subscribers' deposits, dividends, and wages?

Answer. Such items should be carried under the appropriate accounts payable until the expiration of the company's liability. At the end of a fiscal year, or more frequently if advisable, items which have been carried for the required period shall be credited to account No. 401, "Miscellaneous additions to surplus" (Class C, account No. 195).

CASE 109.

Query. To what account should be credited revenue received from "battery taps," i. e., electrical power furnished others from the central office batteries?

Answer. Account No. 525, "Other miscellaneous revenue" (Class C, account No. 520).

CASE 110.

Query. When the duties of employees are varied and a small amount of time is spent on each duty, thus affecting a number of accounts, is it required that their pay and expense be distributed on the basis of the actual time spent?

Answer. The pay and expenses of employees shall be distributed to the accounts as nearly as may be possible on basis of the time actually spent on each class of work. However, if the time is so split up as to make such a distribution impracticable, and if the employee does the same classes of work from day to day, his pay and expenses may be distributed by the use of percentages based on a study of the time actually spent in a representative period, such percentages being corrected from time to time as the facts warrant.

CASE 111.

Query. When one department performs services or prepares data for another department, should any transfer of expense be made in the accounts?

Answer. When, in the ordinary conduct of business, it is necessary that one department perform services for or furnish data to another department, no transfer of expense is required.

Where the employees of one department perform an extensive service which is the function of another department, the expense shall be transferred to such department and charged to the accounts affected; but no transfer of expense is required to be made for incidental services performed for one department by another. For example, if the traffic department rates and sorts toll tickets, makes check ledger entries, and prepares reports to facilitate the work of the department performing the function of revenue accounting, such service being incidental to the work of the traffic department, the expense may be borne by the traffic department.

CASE 112.

Query. To what account should be charged the pay and expenses of managers at small exchanges who are engaged in constructing and maintaining the plant and in traffic and commercial operations?

Answer. Construction and maintenance costs shall be charged to the appropriate fixed capital (plant and equipment) and maintenance accounts, respectively, and the remainder shall be distributed to the appropriate traffic and commercial expense accounts. If it is impracticable to distribute the charges to the traffic and commercial expense accounts on the basis of actual time spent, the distribution may be made on a percentage basis.

CASE 113.

Query. To what account should be charged the commissions paid to exchange agents or managers in lieu of salary, operating expenses, etc.?

Answer. Any construction or maintenance costs having been first deducted and charged to appropriate accounts, the remainder shall be divided between Traffic and Commercial Expenses by means of percentages agreed upon by these departments. Class C companies, after charging construction and maintenance accounts according to fact, shall charge the remainder to account No. 670, "General office salaries."

CASE 114.

Query. To what account should be charged the pay and expenses of foremen and subforemen of repair gangs?

Answer. Their pay and expenses shall be distributed over the various maintenance accounts in the same manner as that of employees under their supervision. The repair accounts shall include the cost of direct supervision such as that of the foremen and subforemen while the cost of general maintenance supervision such as that of the general, divisional, and district plant superintendents shall be charged to account No. 601, "Supervision of maintenance" (Class C, account No. 670).

CASE 115.

Query. To what account should be charged the pay and expenses of troublemen engaged to some extent in traffic work?

Answer. The pay and expenses of troublemen shall be distributed to the several maintenance, traffic, or other accounts involved in their work. (See Cases 110 and 111.)

CASE 116.

Query. To what account should be charged the pay and expenses of wire chiefs?

Answer. The pay and expenses of wire chiefs shall be distributed to the several maintenance, traffic, or other accounts involved in their work. (See Cases 110 and 111.)

CASE 117.

Query. Must specific authorization be obtained from the Interstate Commerce Commission whenever it is desired to spread over a period large items of expense due to judgments, fires, accidents, strikes, etc.?

Answer. Such items may be spread over two or more months of a single calendar year without specific authority from the Commission.

If Class A and B companies desire to extend into the succeeding year charges provided for in section 24, page 68, of the Uniform System of Accounts, and if Class C companies desire to spread similar expense over succeeding years, special authorization must be obtained.

CASE 118.

Query. What should be the accounting for additional pay allowed employees for loyal service and overtime work during a strike?

Answer. Charge the accounts to which the regular pay of the employees is chargeable.

CASE 119.

Query. A company is required by a city ordinance to cut and replace overhead wires when it is necessary to move a building across or along the street. To what account shall such expense be charged?

Answer. Account No. 602, "Repairs of aerial plant" (Class C, account No. 600).

CASE 120.

Query. What should be the accounting for the expense of making changes at cable terminals on account of changing service from one-party to two-party lines, or vice versa, and on account of reassociation of party lines?

Answer. Charge account No. 602, "Repairs of aerial plant" (Class C, account No. 600) or account No. 605, "Repairs of station equipment" (Class C, account No. 610) according to the class of wire worked upon.

CASE 121.

Query. A franchise granted by a municipality requires that the company shall, when so required by the city engineer, change its pole line to conform to curb and grade lines established by the city. Should the cost of this work be charged to account No. 673, "Telephone franchise requirements"?

Answer. No. If substitution of new plant for existing plant is not involved, charge account No. 602, "Repairs of aerial plant" (Class C, No. 600), unless the expense is relatively large and provision therefor has been made in the depreciation reserve, in which case treat as "extraordinary repairs" (Class C, "reconstruction").

If substitution of new plant for existing plant is involved, the substitution not amounting to a practical replacement, treat as "extraordinary repairs" (Class C, "reconstruction"). Otherwise, treat through the plant accounts, i. e., credit the appropriate plant accounts with the cost of the property retired and charge the appropriate plant accounts with the cost of the new property.

CASE 122.

Query. What should be the accounting when, in connection with street or roadway improvements, a telephone company is required to move its pole line at its expense?

Answer. If substitution of new plant for existing plant is not involved, charge account No. 602, "Repairs of aerial plant" (Class C, No. 600), unless the expense is relatively large and provision therefor has been made in the depreciation reserve, in which case treat as "extraordinary repairs" (Class C, "reconstruction").

If substitution of new plant for existing plant is involved, the substitution not amounting to a practical replacement, treat as "extraordinary repairs" (Class C, "reconstruction"). Otherwise, treat through the plant accounts, i. e., credit the appropriate plant accounts with the cost of the property retired and charge the appropriate plant accounts with the cost of the new property.

CASE 123.

Query. To what account should be charged the expense of pole butt reinforcements to make good the deterioration of the pole?

Answer. Ordinarily, this work should be classed as ordinary repairs and the cost thereof charged to the primary repair accounts. However, if provision for such work has been made in the depreciation reserve, the work should be treated by Class A and B companies as "extraordinary repairs," and by Class C companies as "reconstruction."

CASE 124.

Query. What should be the accounting for the following items in connection with schools conducted by the company for the instruction of plant department employees?

- (1) Equipment installed and used in such schools.
- (2) Maintenance of above (if done independently of school work).
- (3) Salaries of men during attendance.
- (4) Salaries and expenses of instructors, materials consumed in connection with such work, rent, and house service, etc.

Answer. (1) Charge the fixed capital (or plant and equipment) accounts for the classes of plant involved.

(2) Charge the maintenance accounts for the classes of plant involved.

(3) Consider as nonproductive time and distribute over productive time of the men engaged on the kinds of work covered by the school; e. g., time of the men studying the work of an installer should be distributed over productive time of the installation force.

(4) Apportion, on an equitable percentage basis, to the accounts covering the several types of work covered by the school.

CASE 125.

Query. To what account should be charged the pay and expenses of students while engaged in learning the work of switchmen in automatic central offices?

Answer. Account No. 604, "Repairs of central office equipment" (Class C, account No. 610).

CASE 126.

Query. To what account should be charged the expense of temporarily disconnecting subscribers' lines in the central office for periods of nonuse or because of nonpayment of bills?

Answer. Account No. 604, "Repairs of central office equipment" (Class C, account No. 610).

CASE 127.

Query. To what account should be charged the wages of switchmen in automatic central offices?

Answer. Account No. 604, "Repairs of central office equipment" (Class C, account No. 610), except for time spent in operating the power plant, which should be charged account No. 628, "Transmission power" (Class C, account No. 660).

CASE 128.

Query. What should be the accounting when a component part of a station (not a complete station) is replaced; e. g., when occasionally a desk set or bell is substituted for one worn out or requiring repairs?

Answer. The substitution of a component part of a station set being a minor replacement as defined in section 21, page 66, of the Uniform System of Accounts (Class C, sec. 14, p. 12) the cost thereof shall be charged to account No. 605, "Repairs of station equipment" (Class C, account No. 610). The part removed shall be credited to account No. 605 (Class C, No. 610) at salvage value.

CASE 129.

Query. To what account should be charged repairs to rented buildings made by the accounting company?

Answer. Account No. 606, "Repairs of buildings and grounds" (Class C, account No. 640), unless the rent paid for the building is charged to one of the clearing accounts (Class A and B accounts Nos. 701 to 706), in which case the repairs should be charged to the same clearing account.

CASE 130.

Query. A plant employee is sent to disconnect a subscriber's station because of nonpayment for service. To what account should the expense be charged if the work of disconnecting is abandoned because of the payment of the bill?

Answer. Account No. 607, "Station removals and changes" (Class C, account No. 620).

CASE 131.

Query. Should the text of account No. 610, "Other maintenance expenses" (Class C, account No. 640) be interpreted as excluding expenses incurred by the plant department which are not in the nature of "repairs" to telephone plant and equipment?

Answer. No. Miscellaneous items of maintenance and operating expense incurred by the plant department which are not chargeable to maintenance accounts Nos. 601 to 609, inclusive, and clearing accounts Nos. 701 to 707, inclusive (Class C, accounts Nos. 600, 610, and 620), may be charged to account No. 610 (Class C, account No. 640). (*See Case 111.*)

CASE 132.

Query. When material fit to use again has been taken out of plant and charged to the materials and supplies accounts at the original cost, estimated if not known, or at the price of corresponding new material, what should be the accounting for repairing (not converting) such material?

Answer. Charge the expense of repairs made thereon to the repair accounts which would have been charged had the repairs been made while the material was in actual service. Only items involving expense due to causes defined as depreciation and so large as to distort the ordinary repair accounts shall be treated as "extraordinary repairs" by Class A and B companies (sec. 21, p. 66, of the Uniform System of Accounts) and as "reconstruction" by Class C companies (see sec. 12, p. 11, of the Uniform System of Accounts).

CASE 133.

Query. What should be the accounting for the expense of repairs to used office furniture and fixtures carried in the materials and supplies accounts?

Answer. (1) If the used furniture and fixtures had been charged to the materials and supplies account at salvage value, the cost of the repairs shall be charged to account No. 122, "Materials and supplies" (Class C, account No. 135).

(2) If the used furniture and fixtures had been charged to materials and supplies account at the original cost, or at the price of corresponding new material, the cost of repairs shall be charged to the expense accounts which would have been charged had the repairs been made while the furniture and fixtures were in actual service, except in cases where provision has been made for such expense in the depreciation reserve, Class A and B companies shall treat the matter as "extraordinary repairs" and Class C companies as "reconstruction" (see sec. 21, p. 66, of the Uniform System of Accounts for Class A and B companies and sec. 12, p. 11, for Class C companies). (*See Case 52.*)

CASE 134.

Query. What should be the accounting for the cost of repairs to connecting companies' and to farmers' lines when the work is done and the expense is borne by the accounting company?

Answer. Charge the appropriate repair accounts of the accounting company according to the class of plant worked upon.

CASE 135.

Query. To what account should be charged the expense of moving an employee from one location to another when transferred by the telephone company and the expense is assumed by it?

Answer. Charge the account to which traveling expenses of the employee in the new location would be charged.

CASE 136.

Query. To what account should be charged the cost of figuring rates and the expense of issuing tariff and route books?

Answer. The expense of figuring the rates and preparing the data shall be apportioned between account No. 621, "Traffic superintendence," and account No. 640, "Commercial administration," according to work performed (Class C, charge account No. 670).

The expense of printing and distributing shall be apportioned between account No. 629, "Central office stationery and printing," and account No. 640, "Commercial administration," on an equitable basis (Class C, accounts Nos. 660 and 680).

CASE 137.

Query. To what account should be charged the expenses incurred by the traffic inspectors in making test calls, adjusting service complaints, inspecting subscribers' private branch exchanges and instructing subscribers' private branch exchange operators?

Answer. Account No. 622, "Service inspection" (Class C, account No. 660). Cash refunded to patrons and amounts deposited in making test calls by inspectors and other employees of the company should not be charged to this account but should be charged to the revenue accounts.

CASE 138.

Query. To what account should be charged the expense incurred by the traffic department in reading meters installed on measured service lines?

Answer. Account No. 623, "Clerical operating wages" (Class C, account No. 660).

CASE 139.

Query. What should be the accounting for the pay of operators furnished lessees of private branch exchanges and for the amounts received for such services?

Answer. Charge the pay of the operators to account No. 624, "Operators' wages" (Class C, account No. 650).

If the operators are regularly employed by the telephone company, credit the payments from subscribers for the services of the operators to account No. 525, "Other miscellaneous revenues" (Class C, account No. 520). If the operators are not regularly employed by the telephone company, credit the reimbursement to account No. 624, "Operators' wages" (Class C, account No. 650).

CASE 140.

Query. To what account should be charged the pay and expenses of wire chiefs when working on Morse leased lines in central offices?

Answer. Charge the accounts otherwise charged with the pay and expenses of wire chiefs unless considerable time is involved, in which case charge account No. 624, "Operators' wages" (Class C, account No. 650).

CASE 141.

Query. When a telephone company operates a private-branch exchange for company (official) business, should any transfer be made from traffic expenses to the expense accounts of the departments served?

Answer. No. The cost of operating such private branch exchanges shall be charged to the various accounts under traffic expenses.

CASE 142.

Query. Should any portion of supply expense and plant supervision expense be applied on plant department charges to Class A and B, account No. 628, "Transmission power," and account No. 673, "Telephone franchise requirements?"

Answer. Yes. The appropriate portion of such expenses may be charged to account No. 628 and account No. 673 in the usual manner.

CASE 143.

Query. To what account should be charged amounts refunded to connecting companies for postage on toll tickets and reports forwarded?

Answer. Account No. 629, "Central office stationery and printing" (Class C, account No. 660).

CASE 144.

Query. To what account should be charged the cost (i. e., postage and other transportation charges) of forwarding toll tickets:

(1) From central offices to revenue accounting offices.

(2) From revenue accounting offices to local collection offices.

Answer. (1) Account No. 629, "Central office stationery and printing" (Class C, No. 660).

(2) Account No. 646, "Revenue accounting" (Class C, No. 680).

CASE 145.

Query. To what account should be charged the cost of covers, chains, and locks used in connection with directories at pay stations?

Answer. Account No. 632, "Pay station expenses" (Class C, account No. 660).

CASE 146.

Query. What is the general distinction between items of expense account of pay stations which are chargeable to account No. 632, "Pay station expenses" (Class C, account No. 660), and those which are chargeable to account No. 648, "Pay station commissions" (Class C, account No. 680)?

Answer. Account No. 632, "Pay station expenses" (Class C, No. 660), shall be charged only with the costs of *specific items* of traffic expense, such as are classable under that account. Items chargeable to this account usually occur in connection with pay stations which are attended by a company employee or by a joint employee, and should be stated as flat sums rather than as percentages on receipts.

Account No. 648, "Pay station commissions" (Class C, No. 680) shall be charged with all percentages of receipts, or flat amounts deducted from receipts, or other specified sums, which are paid either to the agent in charge (usually not a salaried employee of the company) or to the person, individual, corporation, or other, upon whose premises the public pay station is located, as *general*

compensation for all that is furnished with respect to this station, i. e., space, light, heat, attendance, incidental advertising, etc.

When the classification is doubtful, the expense shall be charged to account No. 648, "Pay station commissions" (Class C, No. 680).

CASE 147.

Query. What should be the accounting for the cost of stationery and printing used by the commercial department?

Answer. This expense should be apportioned on the basis of use to the several accounts under "Commercial expenses" (Class C, account No. 680).

CASE 148.

Query. When a telephone company, instead of providing its own switchboard and switchboard operator, terminates its toll lines in the switchboard of another telephone company and arranges to have the latter do the necessary operating, what should be the accounting if the charges for such services are on a flat sum basis (not on a division of revenue)?

Answer. The company receiving the service shall charge account No. 633, "Other traffic expenses" (Class C, account No. 680).

If services are billed at cost, the company performing the service shall credit the appropriate operating or other accounts previously charged; if not billed at cost, it should credit account No. 525, "Other miscellaneous revenue" (Class C, account No. 520).

CASE 149.

Query. To what account should be charged (1) miscellaneous contributions, and (2) related expense, such as decorating buildings or furnishing floats on holiday occasions?

Answer. (1) If contributions are made for the purpose of developing traffic, for example, expenses incurred in connection with an industrial exposition or other business occasion, charge account No. 642, "Advertising" (Class C, account No. 680). If contributions are made without regard to traffic but incidentally for the benefit of the operations of the company, such as those to local fire departments, business leagues, Y. M. C. A., and similar institutions charge the appropriate expense account of the department concerned; or, if impossible of allocation, charge account No. 675, "Other general expenses" (Class C, account No. 680).

(2) Expenditures such as those for decorating buildings and furnishing floats on holiday occasions, except when incurred for traffic purposes and, therefore, chargeable to account No. 642, "Advertising" (Class C, account No. 680) should be departmentalized as far as possible. Items so general in character as not to admit of departmentalization should be charged to account No. 675, "Other general expenses" (Class C, account No. 680). (*See Case 111.*)

CASE 150.

Query. To what account should be charged the salaries and expenses of auditors of receipts and their clerks and division auditors of receipts and their clerks?

Answer. Account No. 646, "Revenue accounting" (Class C, account No. 670).

CASE 151.

Query. To what account should be charged the cost of postage used in mailing bills to subscribers?

Answer. Account No. 647, "Revenue collecting" (Class C, account No. 680).

CASE 152.

Query. To what account should be charged the cost of special editions of directories, or parts of directories, for use by the traffic department?

Answer. Account No. 649, "Directory expenses" (Class C, account No. 680) or treat through account No. 132, "Prepaid directory expense" (Class C, account No. 145).

CASE 153.

Query. To what account should be credited amounts received from the sale of new directories or as salvage on old directories?

Answer. Credit receipts from sales of directories to account No. 523, "Advertising and directory" (Class C, account No. 520), and from salvage to account No. 649, "Directory expenses" (Class C, account No. 680).

CASE 154.

Query. To what account should be charged losses incurred by reason of shortage in a local manager's account in excess of the amount paid on his bond by the surety company?

Answer. Account No. 640, "Commercial administration" (Class C, account No. 680).

CASE 155.

Query. To what account should be charged the pay of a general manager or superintendent having supervision of the entire operations of the company?

Answer. Account No. 661, "Salaries of general officers" (Class C, account No. 670).

CASE 156.

Query. What account should be charged with the expense of a board of arbitrators on subscribers' rates?

Answer. Account No. 650, "Other commercial expenses" (Class C, account No. 680).

CASE 157.

Query. To what account shall be charged the expense of compiling data and making reports to the Federal Government, public-service commissions, tax authorities, and others, and of testifying before such bodies?

Answer. The expense shall be charged to the accounts otherwise charged with the pay and expenses of the employees who prepare the reports or testify before such bodies. For example, if the reports are prepared by the general office clerks, the expense of preparing should be charged to account No. 662, "Salaries of general office clerks" (Class C, account No. 670); if the data regarding plant are prepared by the plant forces, the expense should be charged to account No. 601, "Supervision of maintenance," or account No. 706, "Plant supervision expense" (Class C, account No. 640); if the passing of tax claims, filing tax reports, and making returns to tax assessors are handled by the legal department, the expense should be charged to account No. 667, "General law expenses" (Class C, account No. 670).

CASE 158.

Query. To what account should be charged allowances and expenses of receivers operating a telephone company under orders of the court?

Answer. Account No. 661, "Salaries of general officers" (Class C, No. 670), and account No. 663, "General office supplies and expenses" (Class C, account No. 680), except that expenses incurred for legal services shall be charged to account No. 667, "General law expenses" (Class C, account No. 680).

CASE 159.

Query. Is any accounting distinction to be made between monthly or other periodic payments to attorneys regularly retained by the company and those retained for specific services?

Answer. No. Both the periodic payments to attorneys regularly retained by the company and the payments to and expenses of attorneys retained for specific services shall be charged to account No. 667, "General law expenses," or account No. 670, "Law expenses connected with damages," as may be appropriate (Class C, account No. 680).

CASE 160.

Query. A company elects to protect itself against all losses ordinarily covered by premium insurance, by setting up a reserve for that purpose, but, in order to obtain additional protection, a part or all of the risk is placed with an insurance company. What should be the accounting for the premiums paid to and the recoveries received from the insurance company?

Answer. The amounts set aside as an insurance reserve shall be charged to account No. 668, "Insurance" (Class C, account No. 680), and credited to account No. 169, "Insurance and casualty reserves" (Class C, account No. 190). Premiums paid insurance companies for such reinsurance shall be charged to account No. 169 (Class C, account No. 190) and recoveries from such companies shall be credited to account No. 169 (Class C, account No. 190).

CASE 161.

Query. What should be the accounting for insurance premiums on materials and supplies carried in stock?

Answer. Charge account No. 668, "Insurance" (Class C, account No. 680), with the premiums paid and periodically transfer the portion applicable to construction to the appropriate fixed capital (plant and equipment) accounts or charge to account No. 274, "Miscellaneous construction expenditures" (Class C, account No. 270).

CASE 162.

Query. To what account should be charged the cost of insuring of the continuity or regularity of revenues or earnings, i. e., "use-and-occupancy insurance"?

Answer. Account No. 668, "Insurance" (Class C, account No. 680).

CASE 163.

Query. To what account should be charged the premium paid on a judicial bond necessary in connection with the appeal of a personal-injury or damage case?

Answer. Account No. 670, "Law expenses connected with damages" (Class C, account No. 680).

CASE 164.

Query. To what account should be charged the premiums on bonds given as follows:

(1) To municipalities under the general terms of a franchise or ordinance and not in connection with specific construction or maintenance work.

(2) To municipalities or property owners in connection with specific pieces of construction or maintenance work.

Answer. (1) Account No. 673, "Telephone franchise requirements" (Class C, account No. 680).

(2) The appropriate construction or maintenance accounts according to the nature of the work.

CASE 165.

Query. To what account should be charged the expense of publishing a company newspaper or other journal?

Answer. Account No. 675, "Other general expenses" (Class C, account No. 680), unless published in the interest of a specific department, in which case charge the operating expense account pertaining to that department. Receipts from subscriptions and from the sale of advertising space in such journals shall be credited account No. 675 (Class C, No. 680) or the other account to which the cost of publishing was charged.

CASE 166.

Query. May the cost of patents be charged by Class A and B companies direct to account No. 674, "Amortization of franchises and patents," instead of to account No. 203, "Patent rights," and amortized through charges to account No. 674?

Answer. Charges to account No. 674, "Amortization of franchises and patents," on account of patents should be restricted to amounts necessary to cover such portion of the life of patents charged to account No. 203, "Patent rights," as it is estimated has expired or been consumed.

The character of a patent purchased should determine whether or not the cost, or any portion thereof, should be charged to account No. 203, "Patent rights." Any amounts paid for patents having an estimated service life of less than one year, patents of doubtful service value, patents in an undeveloped state, patents acquired at small cost, and similar expenditures on account of patents may be charged direct to account No. 675, "Other general expenses."

CASE 167.

Query. To what account should be charged the cost of a general audit of a company's books by an audit company?

Answer. Account No. 675, "Other general expenses" (Class C, account No. 680).

CASE 168.

Query. To what account should be charged the cost of printing franks for the use of officers and employees of the company?

Answer. Account No. 675, "Other general expenses" (Class C, account No. 680).

CASE 169.

Query. A pay check fell into the hands of an unauthorized party, who secured payment by use of a forged signature. The company was unable to effect collection from the bank paying the check, or from the person forging the same. To what account should the loss be charged? -

Answer. Account No. 675, "Other general expenses" (Class C, account No. 680).

CASE 170.

Query. An agent of the company received a summons garnisheeing the wages of an employee. On account of delay incident to notifying the legal department, the employee succeeded in drawing his pay and the company was obliged to make good the amount of the claim. To what account should the loss be charged?

Answer. Charge the appropriate account of the department responsible for the delay.

CASE 171.

Query. To what account should be charged the cost of first-aid kits and renewals of same?

Answer. When such expense is incurred primarily for the plant department, charge account No. 706, "Plant supervision expense"; otherwise, charge the appropriate expense accounts of the departments in whose interests the costs are incurred.

CASE 172.

Query. To what account should be charged the cost of inventories and appraisals of plant?

Answer. Inventories and appraisals should be treated in the accounts as follows:

(1) Those taken incident to the ascertainment of a general valuation of the property owned or used by the company, including those taken in accordance with the Act to regulate commerce, or with other similar Federal or State requirements; charge to account No. 675, "Other general expenses," preferably in a subaccount entitled "Valuation expenses" (Class C, account No. 680). This ruling does not modify the provisions relating to betterments contained in section 9, page 32, of the Uniform System of Accounts for Class A and Class B Companies.

(2) Those taken on the orders of public authorities for other purposes such as for use in rate cases, or for the purpose of adjusting rate schedules; charge the cost to account No. 675, "Other general expenses" (Class C, account No. 680).

(3) Those taken in connection with the projected purchase of property; charge account No. 136, "Other suspense" (Class C, account No. 150), pending their final disposition. If the property is finally purchased, the cost should be considered as part of the price paid and charged to the appropriate asset account. If the property is not purchased, the cost shall be charged to account No. 417, "Other deductions from surplus" (Class C, account No. 195).

(4) Those taken in connection with the projected sale or lease of property to others; charge account No. 136 (Class C, No. 150), pending their final disposition. If the property is finally leased, charge the account appropriate for rent. If the property is sold and the selling price includes the cost of appraisal, such cost shall be considered a part of the sale price. If the project is finally abandoned, or if the property is sold, but the selling cost does not include the cost of appraisal, the cost of appraisal shall be charged to account No. 417 (Class C, No. 195).

No amounts shall be included in the cost of inventories and appraisals for incidental services of officers and employees; but special office, clerical, traveling, and incidental expenses incurred by such officers and employees may be included.

CASE 173.

Query. What should be the accounting for expenses incurred by the plant department in inspecting for and in checking the attachments of other companies to the pole lines of the accounting company?

Answer. Charge account No. 610, "Other maintenance expenses" (Class C, account No. 640), or if performed incident to other work, charge the accounts otherwise charged with the pay and expenses of the employees who perform the services.

CASE 174.

Query. To what account should be charged expenses on account of associations maintained by and in behalf of telephone companies?

Answer. The salaries and expenses of the officers representing the company as members of the associations shall be charged to the accounts to which the salaries and expenses of such officers are chargeable in connection with the operation of the telephone plant. Amounts paid incident to the maintenance of such associations shall be charged to account No. 675, "Other general expenses" (Class C, account No. 680).

CASE 175.

Query. What should be the accounting for the expense of overhauling and repairing of motor trucks and like equipment?

Answer. The customary annual overhauling of such apparatus shall be charged to account No. 702, "Stable and garage expense," and cleared as provided in the text of that account. Work of less frequent occurrence or involving such reconstruction items as replacing the engine may be handled as "extraordinary repairs," if the reserve has been provided for such expenses. Class C companies shall charge this expense to account No. 640, "Other maintenance expenses."

CASE 176.

Query. To what account should be charged rent of land used for storage of material for use in construction and maintenance work?

Answer. Account No. 704, "Supply expense," and cleared as provided in the text of that account. Class C companies shall distribute on an equitable basis between account No. 640, "Other maintenance expenses," and account No. 270, "Undistributed construction expenditures."

INDEX BY ACCOUNTS.

CLASS A AND B COMPANIES.

BALANCE SHEET.

	Case.
102. Reserve for accrued depreciation—Cr.....	4
105. Investment securities.....	7, 13
110. Advances to system corporations for construction, equipment, and betterments.....	7
111. Miscellaneous investments.....	8, 10, 11, 12
113. Cash.....	14, 78
114. Special deposits.....	14, 15, 16, 22
116. Marketable securities.....	13
117. Bills receivable.....	7
118. Due from subscribers and agents.....	96, 97
120. Miscellaneous accounts receivable.....	20
122. Materials and supplies.....	17, 18, 133
125. Sinking fund assets.....	19, 78
132. Prepaid directory expense.....	152
133. Other prepayments.....	34
135. Unamortized debt discount and expense.....	67, 69, 73
136. Other suspense.....	7, 21, 22, 94, 172
153. Funded debt.....	23
169. Insurance and casualty reserves.....	160
170. Liability on account of provident funds.....	24
170A. Other deferred credit items.....	8, 21
171. Surplus invested since December 31, 1912, in fixed capital.....	36
172. Surplus invested in sinking funds.....	78

FIXED CAPITAL.

201. Organization.....	41, 73
202. Franchises.....	42
203. Patent rights.....	166
207. Right of way.....	98
211. Land.....	11, 43
212. Buildings.....	45, 46
220. Central office equipment.....	47
221. Central office telephone equipment.....	48, 49, 50, 51
222. Other equipment of central offices.....	52
230. Station equipment.....	47
234. Private branch exchanges.....	55
235. Booths and special fittings.....	52
241. Exchange pole lines.....	61
245. Exchange underground cable.....	59
251. Toll pole lines.....	35, 61
255. Toll underground cable.....	59

	Case.
260. General equipment.....	25, 62
261. Office furniture and fixtures.....	25, 52, 53, 62, 63
262. General shop equipment.....	25, 52, 62
263. General store equipment.....	25, 52, 62
264. General stable and garage equipment.....	25, 52, 62
265. General tools and implements.....	25, 62
268. Interest during construction.....	64
273. Taxes during construction.....	71
274. Miscellaneous construction expenditures.....	38, 65, 66, 161

INCOME STATEMENT.

303. Other operating expenses.....	8
304. Uncollectible operating revenues.....	96, 97
305. Taxes assignable to operations.....	71, 72, 73, 74
310. Rent revenues from lease of telephone plant.....	81
311. Miscellaneous rent revenues.....	12, 75, 80
312. Dividend revenues.....	76
313. Interest revenues.....	64, 76
314. Sinking and other reserve fund accretions.....	77, 78
316. Miscellaneous nonoperating revenues.....	20
320. Rent expense.....	8, 12, 80
323. Uncollectible nonoperative revenues.....	79
330. Rent deductions for lease of telephone plant.....	81
332. Rent deductions for conduits, poles, and other supports.....	60, 84
334. Miscellaneous rent deductions.....	83, 85
335. Interest deductions for funded debt.....	78
336. Other interest deductions.....	18, 87, 88, 89
338. Amortization of debt discount and expense.....	67, 69
350. Appropriations of income to sinking and other reserve funds.....	78

CORPORATE SURPLUS OR DEFICIT.

401. Miscellaneous additions to surplus.....	13, 21, 33, 36, 90, 91, 92, 93, 108
415. Appropriations of surplus for construction, equipment, and betterments..	36
417. Other deductions from surplus.....	13, 21, 90, 91, 93, 172

OPERATING REVENUES.

500. Subscribers' station revenues.....	95, 104
501. Public pay station revenues.....	104
503. Service stations.....	104
505. Minor rents of exchange plant.....	80, 106
510. Message tolls.....	99
515. Minor rents of toll plant.....	80, 106
520. Messenger service.....	105
523. Advertising and directory.....	102, 153
524. Rents from other operating property.....	80, 106
525. Other miscellaneous revenue.....	107, 109, 139, 148
526. Licensee revenue—Cr.....	75

OPERATING EXPENSES.

601. Supervision of maintenance.....	114, 131, 157
602. Repairs of aerial plant.....	61, 82, 119, 120, 121, 122, 131
603. Repairs of underground plant.....	56, 131

	Case.
604. Repairs of central office equipment.....	52, 125, 126, 127, 131
605. Repairs of station equipment.....	52, 120, 128, 131
606. Repairs of buildings and grounds.....	129, 131
607. Station removals and changes.....	32, 79, 130, 131
608. Depreciation of plant and equipment.....	131
609. Extraordinary depreciation.....	131
610. Other maintenance expenses.....	34, 131, 173
621. Traffic superintendence.....	52, 136
622. Service inspection.....	137
623. Clerical operating wages.....	138
624. Operators' wages.....	139, 140
626. Rest and lunch rooms.....	52
627. Operators' schooling.....	52
628. Transmission power.....	127, 142
629. Central office stationery and printing.....	136, 143, 144
630. Messenger service.....	105
631. Miscellaneous central office expenses.....	52
632. Pay station expenses.....	52, 145, 146
633. Other traffic expenses.....	52, 148
640. Commercial administration.....	52, 136, 154
642. Advertising.....	44, 52, 149
643. Canvassing.....	52
646. Revenue accounting.....	52, 63, 144, 150
647. Revenue collecting.....	52, 151
648. Pay station commissions.....	104, 146
649. Directory expenses.....	52, 152, 153
650. Other commercial expenses.....	52, 156
661. Salaries of general officers.....	155, 158
662. Salaries of general office clerks.....	157
663. General office supplies and expenses.....	158
666. Other general office supplies and expenses.....	52
667. General law expenses.....	69, 157, 158, 159
668. Insurance.....	66, 160, 161, 162
669. Accidents and damages.....	101, 102
670. Law expenses connected with damages.....	159, 163
673. Telephone franchise requirements.....	42, 103, 121, 142, 164
674. Amortization of franchises and patents.....	166
675. Other general expenses.....	94, 149, 165, 166, 167, 168, 169, 172, 174
676. Telephone franchise requirements—Cr.....	103

CLEARING ACCOUNTS.

701. Shop expense.....	1, 25, 46, 52, 129, 131
702. Stable and garage expense.....	1, 25, 46, 52, 129, 131, 175
703. Tool expense.....	1, 129, 131
704. Supply expense.....	1, 18, 25, 46, 52, 129, 131, 142, 176
705. Engineering expense.....	1, 129, 131
706. Plant supervision expense.....	1, 52, 68, 129, 131, 142, 157, 171
707. House service expense.....	1, 53, 131

GENERAL INSTRUCTIONS.

1. Telephone companies divided into two classes.....	1, 4
3. Balance-sheet accounts.....	1
5. Reacquired securities.....	3, 5, 6

	Case
6. Discount and premium on capital stock.....	93
7. Discount, expense, and premium on funded debt.....	93
9. Fixed capital defined.....	25, 172
10. Costs to be actual money costs.....	30
11. Interest accruing during construction period.....	64
13. Plant and equipment and other property purchased.....	26, 27, 28, 29, 30
14. Fixed capital withdrawn or retired.....	31, 32, 37
16. Taxes.....	70
19. Deductions from revenues.....	101
21. Repairs defined.....	121, 122, 123, 128, 132, 133
24. Extraordinary casualties and unanticipated reconstruction.....	117

INDEX BY ACCOUNTS.

CLASS C COMPANIES.

BALANCE SHEET.

	Case.
105. Other property.....	8, 10, 11, 12
110. Securities.....	6, 7, 13
115. Cash.....	22, 78
120. Notes receivable.....	7
125. Due from subscribers and agents.....	96, 97
130. Accounts receivable.....	20
135. Materials and supplies.....	17, 18, 133
140. Special funds.....	19, 78
145. Prepayments.....	34, 152
150. Other debit accounts.....	7, 21, 22, 67, 69, 73, 93, 94, 172
160. Capital stock.....	6
165. Funded debt.....	6, 23
185. Depreciation reserve.....	4
190. Other credit accounts.....	8, 21, 24, 93, 160
195. Surplus.....	13, 21, 33, 36, 78, 90, 91, 92, 93, 108, 172

PLANT AND EQUIPMENT.

200. Intangibles.....	41, 42, 73
210. Land and buildings.....	11, 43, 45, 46
220. Central office equipment.....	47, 48, 49, 50, 51, 52
230. Station equipment.....	47, 55
240. Exchange lines.....	59, 61, 98
250. Toll lines.....	35, 59, 61, 98
260. General equipment.....	25, 52, 53, 62, 63
270. Undistributed construction expenditures.....	38, 64, 65, 66, 71, 161, 176

INCOME.

320. Miscellaneous income.....	12, 20, 64, 75, 76, 80, 81
340. Other operating expenses.....	8
350. Taxes.....	71, 72, 73, 74
360. Interest accrued.....	18, 78, 87, 88, 89
370. Miscellaneous charges to income.....	67, 69, 78, 81, 96, 97

OPERATING REVENUES.

500. Exchange revenues.....	80, 95, 101, 104, 106
510. Toll revenues.....	80, 99, 101, 106
520. Miscellaneous revenues.....	80, 102, 105, 106, 107, 109, 139, 148, 153
530. Licensee revenues—Cr.....	75

OPERATING EXPENSES.

	Case.
600. Repairs of wire plant.....	56, 61, 82, 119, 120, 121, 122, 131
610. Repairs of equipment.....	52, 120, 125, 126, 127, 128, 131
620. Station removals and changes.....	32, 79, 130, 131
640. Other maintenance expenses.....	34, 53, 68, 129, 131, 157, 173, 175, 176
650. Operators' wages.....	139, 140
660. Other traffic expenses.....	105, 127, 136, 137, 138, 143, 144, 145, 146, 148
670. General office salaries.....	113, 114, 136, 150, 155, 157, 158
680. Other general expenses.....	42, 44, 52, 60, 63, 66, 69, 79, 83, 84, 85, 94, 101, 102, 104, 136, 144, 146, 147, 149, 151, 152, 153, 154, 156, 158, 159, 160, 161, 162, 163, 164, 165, 167, 168, 169, 172, 174

GENERAL INSTRUCTIONS.

1. Telephone companies divided into four classes.....	1, 4
12. Reconstruction.....	121, 122, 123, 132, 133
13. Plant and equipment retired.....	32, 37
14. Repairs.....	128

INDEX BY TOPICS.

CLASS A, B, AND C COMPANIES.

A.

	Case.
Accounts, clearing.....	1
temporary.....	1
titles of, on company's books.....	1
Addressing machine supplies.....	63
Adjustment of furniture and fixtures costs	52
of general equipment costs.....	62
of revenue, expense, and income items.....	91
Appraisal of furniture and fixtures.....	52
of going plant purchased.....	27, 29
of plant.....	27, 29, 172
Associations, telephone, expenses of.....	174
Attachments to plant, inspection of.....	173
Attorneys, temporary, pay and expenses of.....	41, 159
Audit of books.....	167
Auditor of receipts and clerks.....	150
Automatic equipment, students.....	125
equipment, switchmen.....	125, 127
Awnings.....	34, 53

B.

Balance sheet.....	3
Balance-sheet accounts.....	1
Balcony on main frame.....	50
Bank failure.....	94
Battery taps, receipts from.....	109
Bills against subscribers.....	95
Bond, given in construction or maintenance work.....	164
judicial, in damage suit.....	163
Bond or negative return.....	60
Bonds, examination of validity of issue of.....	69
maturing serially, discount on.....	67
Bonus paid contractor.....	33
Booths and special fittings retired.....	32
Bridle wire cables.....	57
Brokers' fees and commissions.....	9
Buildings, appurtenances to.....	53
improvements on leased.....	34
minor additions or replacements.....	46
not used in telephone operations.....	10, 11
rented, repairs of.....	129

C.

	Case.
Cable, terminals, changes in.....	120
underground, without conduit.....	59
Cash, distinguished from special deposits.....	14
Certificates of deposit.....	14
Check, loss account of forged.....	169
Circuits, rent of.....	85
Clearing accounts.....	1, 25, 46
Coin-box service revenue.....	104
shortages.....	100
Commission, at pay stations.....	146
brokers'	9
in lieu of salary.....	113
on securities purchased.....	9
on toll messages.....	99
State, expense of.....	72
State, reports to.....	157
Connecting company, operating performed by.....	148
repairs to lines of.....	134
Construction, interest during.....	64
Contract, payment for abrogation of.....	33
Contractor's penalties for delay.....	33
Contributions made.....	149
Custom work.....	20

D.

Deductions from pay for hospitals.....	24
Delayed items of revenue, expense, and income.....	90
Departmental expense, transfer of.....	111
Department store contract revenue.....	104
Deposits, certificates of.....	14
special, distinguished from cash.....	14
special, for dividends.....	15, 16
subscribers', unclaimed.....	108
time.....	14
with municipalities.....	22
Depreciation on improvements on leased buildings.....	34
on physical property (not telephone).....	8
reserve, subdivision of.....	4
Directories, covers, chains, and locks	145
sale of old.....	153
salvage on old.....	153
special editions of.....	152
Directory advertising errors.....	102
errors.....	101
Disconnecting subscribers' lines.....	126
subscribers' stations.....	130
Discount on bills for materials and supplies.....	18
bonds maturing serially.....	67
reacquired securities.....	93
short-term notes.....	88
subscribers' bills.....	95
Distribution of pay and expenses of employees.....	110

	Case.
Dividends paid as part of rent.....	81
special deposits for.....	15
unclaimed.....	108
Donations received.....	36

E.

Electrolysis bond opener.....	60
Electrolytic surveys.....	58
Employees, distribution of expenses of.....	110
Employees engaged in operation and construction.....	40
Equipment, general, adjustment of costs.....	62
maintained by lessees.....	47
order table systems.....	55
overhauling and repairing	175
<i>(See also Plant and Equipment.)</i>	
Examination of titles of real estate.....	69
Exchange of services.....	103
Expense items, adjustment of.....	91
delayed.....	90
spread over subsequent periods	117
Experimental accounts.....	1

F.

Farmer lines, repairs to.....	134
Fees, brokers'	9
for pole and conduit locations.....	98
Fire extinguishers.....	54
First-aid kits.....	171
Foremen of repair gangs.....	114
Franchise, free or reduced-rate service under.....	103
plant and supplies furnished under.....	42
taxes.....	74
Franks.....	168
Free telephone service.....	103
Furniture and fixtures, cost, repairs, and replacements.....	52, 53
repairs to.....	133

G.

Garnisheed wages, loss account of.....	170
Governments, expense of making reports to.....	157
expense of testifying before.....	157

H.

Handbooks for plant department.....	68
Hospital funds.....	24
Hotel contract revenue.....	104

I.

Improvements on leased buildings.....	34
Income items, adjustment of.....	91
delayed.....	90
Information, detailed, in records.....	2
Inspection of attachments to poles.....	173

	Cash
Insurance, liability.....	66
on construction.....	65, 161
on materials and supplies.....	161
on telephone earnings and receipts.....	162
reserve.....	160
Intangible capital, term of life.....	26
Interest on bills for materials and supplies.....	18
on funds used in construction.....	64
on securities held by trustees.....	76, 78
on unpaid bond coupons.....	87
on unpaid taxes.....	89
paid as part of rent.....	81
special deposits for.....	16
Interstate Commerce Commission, authority of, necessary.....	52, 90, 91, 117
reports to.....	3, 6, 157
Inventory of furniture and fixtures.....	52
general equipment.....	62
going plant purchased.....	29
plant.....	172

L.

Land held for future operations.....	11
not used in telephone operations.....	10
rent of, for storage of material.....	176
Lease, surrender of unexpired.....	92
Leased buildings, improvements on.....	34
Liability insurance.....	66
Loading coils.....	51
Loss on account of bank failure.....	94
account of forged check.....	169
account of garnisheed wages.....	170

M.

Main frame balcony.....	50
Manager, at small exchange.....	112, 113
general, pay and expenses of.....	155
shortage in account.....	154
Manholes, cleaning.....	56
Material, defective, in construction.....	33
Materials and supplies, charged out directly.....	17
discount on bills for.....	18
insurance on.....	65, 161
interest on bills for.....	18
purchased from another company.....	30
recovered from plant.....	132
rent of land for.....	176
taxes on.....	71
Messenger services.....	105
Meters, expense of reading.....	138
Mileage on toll messages.....	99
Morse leased lines.....	140
Moves and changes, uncollectible bills for.....	79
of plant account street improvements.....	122
of plant by public requirement.....	121

	Case.
Moving an employee.....	135
Municipalities, bonds given to.....	164
deposits with.....	22
fees paid for pole or conduit location.....	98
free or reduced-rate service for.....	103
maintenance and operation of plant leased to.....	42
plant and supplies furnished to.....	42
replacements and moves required by.....	121

N.

Newspaper, company, expense of.....	165
Notes becoming due serially.....	23
payment defaulted.....	7
short-term, issued in lieu of bonds.....	88

O.

Operating expenses, property of small value charged to.....	25, 46
performed by connecting company.....	148
Operators, joint.....	148
private branch exchange.....	139
Options.....	21
Order table systems.....	55
Overhead wires, damage to, account moving building.....	119

P.

Party lines, reassociation of.....	120
Patents.....	166
Pay-station expenses and commissions.....	146
Penalties, contractors, for delay.....	33
Phantom circuits.....	49
Plant and equipment, inventory of purchased plant.....	20
items of small value.....	25, 46
purchase of going plant.....	27, 30
purchased, intangibles.....	26
retired, original cost.....	31
sale of portion.....	37
structural value.....	28
under construction, insurance on.....	65
(See also <i>Equipment</i> .)	
Plant department expense other than repairs.....	131
hand books.....	68
Plant supervision expense.....	142
Pole butt reinforcements.....	123
lines, moves of.....	121, 122
locations, rent for.....	84
Postage on subscribers' bills.....	151
toll reports.....	143
toll tickets.....	143, 144
Premium on reacquired securities.....	93
Private branch exchange for company business.....	141
operators.....	139
retired.....	32

Property of others, expenditures on.....	35
Property rights, permanent, granted.....	38
temporary, granted.....	39
Protection from high-potential line.....	61
Protectors.....	48

R.

Rates, expense of board of arbitrators on.....	156
expense of figuring.....	136
Reassociation of party lines.....	120
Receivers, pay and expenses of.....	158
Reconstruction.....	121, 122, 123, 132, 133
Reduced-rate telephone service.....	103
Reinsurance.....	160
Rent, interest and dividends paid as.....	81
of buildings.....	80
of circuits.....	85
of instruments.....	75
of land for storage of material.....	176
of physical property (not telephone).....	12
of pole locations.....	84
of property sublet.....	86
of rooms used by manager.....	106
Rented property, expenses on.....	12, 34, 80
repairs of.....	12, 34, 80, 129
Replacement of component part of subscriber's station.....	128
furniture and fixtures.....	52
plant.....	121, 122
Reports to governmental bodies.....	157
Interstate Commerce Commission.....	3, 6, 157
Reserve for depreciation.....	4
insurance.....	160
uncollectible bills.....	96
Retaining wall.....	45
Revenue items, adjustment of.....	91
delayed.....	90
Right, permanent, sale or purchase of.....	38
temporary, sale or purchase of.....	39
to cross right of way.....	83
Route book.....	136

S.

Schools, automatic equipment.....	125
plant department.....	124
Screens, door and window.....	34, 53
Securities held by trustees.....	76, 78
of other companies, profits and loss on.....	13
purchased, commissions on.....	9
reacquired.....	5, 93
treasury.....	6
Serial notes.....	23
Services, exchange of.....	103
of one department for another.....	111

	Case.
Shades, window.....	34, 53
Shortage in manager's account.....	154
Sidewalks, cost of.....	43
Signs.....	44
Sinking funds.....	19, 77, 78
Spreading large items of expense.....	117
Stamps, internal-revenue.....	73
postage, on subscribers' bills.....	151
toll reports.....	143
toll tickets.....	143, 144
Stationery and printing.....	147
Strike, additional pay account of.....	118
Structural value of plant.....	27, 28
Students, automatic exchange.....	125
plant department.....	124
Subaccounts, titles of.....	1
Subforemen of repair gangs.....	114
Subscribers' ledger charges.....	95
Subsidiary records.....	2
Superintendent, pay and expenses.....	114, 155
Supervision of employees.....	114
Supply expense.....	142
Switching toll messages.....	99
Switchman in automatic exchanges.....	127

T.

Tariff books.....	136
Tax reports, expense of preparing.....	157
Taxes, accrual of.....	70
franchise.....	74
on materials and supplies.....	71
unpaid, interest on.....	89
Temporary accounts.....	1
Testifying before governmental bodies.....	157
Toll messages defined.....	99
mileage on.....	99
switching of.....	99
Traffic errors.....	101
inspectors.....	137
Transfer of expense between departments.....	111
Troublemen, pay and expenses of.....	115
Trucks, overhauling and repairing.....	175
Trustees, sum paid to, for unmatured interest.....	16

U.

Unclaimed deposits, dividends, and wages.....	108
refunds on service.....	107
Uncollectible bills for revenue.....	96, 97
supplies.....	79
work performed.....	79
Unit costs, use of, in retiring property.....	31
Use-and-occupancy insurance.....	162

V.

	Case
Valuation of plant expenses.....	172

W.

Wages unclaimed.....	108
Wall, retaining.....	45
Window shades.....	34, 53
Wire chief, pay and expenses of.....	116, 140
Work for others in exchange for privilege.....	82
performed for others.....	20



INTERPRETATIONS
OF
ACCOUNTING CLASSIFICATIONS
PRESCRIBED BY THE
INTERSTATE COMMERCE COMMISSION
FOR
CARRIERS BY WATER
IN ACCORDANCE WITH SECTION 20 OF THE
ACT TO REGULATE COMMERCE

Effective on February 1, 1917

ORDER.

At a General Session of the INTERSTATE COMMERCE COMMISSION, held at its office in Washington, D. C., on the 19th day of January, A. D. 1917.

The subject of a uniform system of accounts to be prescribed for and kept by carriers being under consideration, the following order was entered:

It is ordered, That the interpretations of the accounting classifications for carriers by water, prepared under the direction of this Commission and embodied in printed form to be hereafter known as Accounting Bulletin No. 12, a copy of which is now before this Commission, be, and the same is hereby, approved; that a copy thereof duly authenticated by the secretary of the Commission be filed in its archives, and a second copy thereof, in like manner authenticated, in the office of the Division of Carriers' Accounts; and that each of said copies so authenticated and filed shall be deemed an original record thereof.

It is further ordered, That the accounting methods directed in the interpretations contained in the said Accounting Bulletin No. 12 be, and they are hereby, prescribed for the use of carriers by water subject to the provisions of the act to regulate commerce, as amended, in the keeping and recording of their accounts.

It is further ordered, That February 1, 1917, be, and it is hereby, fixed as the date on which the said Accounting Bulletin No. 12 shall become effective.

By the Commission.

[SEAL.]

GEORGE B. MCGINTY,
Secretary.

INTRODUCTORY LETTER.

INTERSTATE COMMERCE COMMISSION,
DIVISION OF CARRIERS' ACCOUNTS,
Washington, January 19, 1917.

To Water Line Accounting Officers:

This circular contains answers to various accounting questions raised under classifications for carriers by water issued by the Interstate Commerce Commission. The cases contained herein are those which are regarded as important for the reason that they make clearer the meaning and application of the text descriptive of the primary accounts of the several classifications.

In the preparation of this bulletin the Commission has had the cooperation of a committee representing the Association of Water Line Accounting Officers.

FRED W. SWENEY,
Chief Examiner of Accounts.

INTERSTATE COMMERCE COMMISSION ACCOUNTING BULLETIN NO. 12.

QUESTIONS AND ANSWERS.

CASE 1.

Query. Is it essential that books be written up monthly?

Answer. Accounts shall be written up monthly.

CASE 2.

Query. In adjusting material accounts to the basis of inventory, what account or accounts shall be credited or debited?

Answer. Determined differences in the balances representing important classes of material are ordinarily assignable to errors or discrepancies in the debits or credits to the particular accounts affected since the last inventory and shall be adjusted accordingly. Other differences shall be apportioned among the primary accounts on the basis of the net charges to such accounts for material since the last inventory. (*See Case 7.*)

CASE 3.

Query. What accounts shall be charged with the loss on obsolete material which is taken out of stock and sold as scrap?

Answer. Such loss shall be charged to the operating expense accounts to which the material ordinarily would be charged if issued for use.

CASE 4.

Query. How shall a carrier dispose of amounts allowed for loyal service of employees during a strike?

Answer. Such allowances shall be charged to the same accounts as the regular pay of such employees. (*See Case 67.*)

CASE 5.

Query. To what account shall be credited the slight profits accruing from percentages added to bills against other companies and individuals to cover superintendence, use of tools, etc.?

Answer. Such added percentages shall be credited to Operating Expenses.

CASE 6.

Query. To what accounts shall interest paid on material bills be charged and cash and trade discounts be credited?

Answer. Interest shall be included in income. All discount realized on bills for material purchased shall be credited to the account to which is charged the original invoice.

CASE 7.

Query. May the adjustment of material accounts to the basis of inventories be deferred to a period subsequent to the year in which the inventories are taken?

Answer. Such adjustments shall be made in the accounts of the year in which the inventories are taken. (*See Case 2.*)

CASE 8.

Query. To what account shall a carrier charge commissions paid to brokers for the purchase of the securities of other companies?

Answer. The amount of such commissions shall be considered as a part of the cost of the securities purchased.

CASE 9.

Query. Under the provisions of the forfeiture clause in a lease a carrier secured title to a building which had been erected by the lessee upon the carrier's property at a cost of \$3,000. At the time of the foreclosure the lessee owed \$300 for rent. Shall the charges to the carrier's property account to cover the building be based upon the original cost or upon the amount of the rent due?

Answer. The charge to the property account shall be based upon the actual cost of the property to the carrier, including the cost of foreclosure.

CASE 10.

Query. In connection with the application of an improved device to equipment, to what account shall be charged the cost of removing the old and of applying the new device?

Answer. The cost of removing the old and of applying the new device shall be charged to the appropriate repair account.

CASE 11.

Query. To what account should be charged amounts paid for pilotage?

Answer. If the pilot is a member of the crew, his wages shall be included in account WE 25, "Wages of crews."

If the pilot is not a member of the crew, and vessels are required under rules of the port to pay for pilotage, such payments shall be charged to account WE 43, "Other operations of terminals expenses."

CASE 12.

Query. To what account shall be charged fees to physicians for the physical examinations of (a) employees; (b) applicants for employment; (c) prospective passengers?

Answer. (a) To the account to which the pay of the employee is chargeable; (b) to the account to which the pay of the applicant would be chargeable if employed; (c) to account WE 43, "Other operation of terminals expenses."

CASE 13.

Query. Is there any objection to the creation of a reserve to take care of settlements of loss and damage claims filed by shippers of freight? The intention is to make charges of an arbitrary amount, so as to take care of claims of this nature during the period within which the damage is done.

Answer. There is no objection to including in operating expenses each month a proportion of the total amount which it is estimated will be necessary to expend during the year on account of loss and damage claims. These charges shall be adjusted annually to actual disbursements unless a balance remains representing liability for unsettled claims.

CASE 14.

Query. Is it proper to charge the various operating expense accounts for the transportation of employees of various departments?

Answer. No charge shall be made against a company's operating expenses nor shall concurrent credits be made to revenue accounts in connection with the free transportation of employees on or off duty.

CASE 15.

Query. To what account should be charged the cost of preparing and issuing stock certificates in connection with the organization of a company and expenses incurred in the disposal of the initial issue of such securities?

Answer. To account WP 11, "Miscellaneous."

CASE 16.

Query. Please explain account WE 53, "Pension and relief department expenses." Also please advise to what account should be charged an employee's wages paid as compensation for personal injuries while suffering from an injury and unable to work.

Answer. Account WE 53, "Pension and relief department expenses," is intended to include the amount of all pensions and gratuities paid to retired employees and the expenses incident to the administration of the pension and relief departments. Wages paid to an employee while he is disabled from an injury sustained in maintenance or operation shall be charged to account WE 9, "Injuries to persons," WE 14, "Injuries to persons," or WE 47, "Injuries to persons," as may be appropriate; if the injury is sustained during construction, the wages shall be charged to the same account as the cost of the work upon which the employee was engaged when injured.

CASE 17.

Query. Is it permissible for carriers by water to renumber the primary accounts of the various classifications for their own convenience, provided the Interstate Commerce Commission numbers are maintained for proper reference and report?

Answer. Under the condition stated, it is permissible for a carrier to renumber the primary accounts of the various classifications for its own convenience. For the sake of uniformity, however, it is recommended that only the account numbers shown in the Commission's classifications be used.

CASE 18.

Query. To what accounts should be charged the cost of new structures and general improvements in a free park owned by the carrier and operated for the purpose of stimulating traffic? To what account should the cost of maintaining and operating such park be charged?

Answer. The cost of the new structures and improvements shall be charged to account WP 10, "Shops, power plants, and miscellaneous structures."

The maintenance expense and the cost of operating the park shall be charged to account WE 23, "Other traffic expenses." (See section 6, page 6, *Income Classification*.)

CASE 19.

Query. Kindly advise the proper distribution of:

(1) Trustees' commissions and fees for paying out bond interest on coupons, and expenses, including registrars' fees, connected with such payments.

(2) Cost of general audit of company's books by an audit company.

Answer. The items described shall be charged as follows:

(1) To account WI 27, "Miscellaneous fixed charges." (*See Case 77.*)

(2) To account WE 55, "Other general expenses."

CASE 20.

Query. Please advise whether the salaries of general accounting office clerks engaged in handling the accounts of the maintenance of equipment, maintenance of terminals, and traffic departments should be charged to account WE 49, "Salaries and expenses of clerks and attendants," or apportioned to accounts WE 1, "Superintendence," WE 12, "Superintendence," and WE 17, "Superintendence."

Answer. Their salaries shall be charged to account WE 49, "Salaries and expenses of clerks and attendants."

CASE 21.

Query. To what account should be charged the expense of compiling data and making reports to the Federal Government, public-service commissions, tax authorities, and others, and of testifying before such bodies?

Answer. The expense shall be included in the accounts to which are charged the pay and expenses of the employees who prepare the reports or testify before such bodies. For example, if the reports are prepared by the general office clerks, the expense shall be charged to account WE 49, "Salaries and expenses of clerks and attendants"; if the data regarding real property and equipment are prepared by the maintenance department employees, such expense shall be charged to accounts WE 1, "Superintendence," or WE 12, "Superintendence," as may be appropriate.

CASE 22.

Query. To what account should be charged the expense of an examination of titles of real property and other matters affecting the validity of an issue of bonds?

Answer. If such expense is incurred in connection with the issue of the bonds, it shall be charged to account WB 24, "Unamortized debt discount and expense," and extinguished in accordance with the text thereof.

If the expense has been incurred in connection with a suit to test the validity of the bond issue, it shall be charged to account WE 51, "Law expenses."

CASE 23.

Query. To what account should be charged the amount of company funds stolen from a safe provided by a carrier in the purser's office on a steamer?

Answer. To account WE 33, "Other operation of vessels expenses."

CASE 24.

Query. To what account should be charged the cost of tube cleaners and repair parts for removing scale from boiler tubes in boilers on a steamer?

Answer. The cost of first installation of tube cleaners shall be charged to account WP 1, "Line equipment"; repairs shall be charged to account WE 2, "Vessels—Repairs."

CASE 25.

Query. To what account should be charged the expenses of a general manager, whose duties include those of passenger and freight agent, while attending traffic associations?

Answer. To account WE 17, "Superintendence."

CASE 26.

Query. To what account should be charged insurance premiums paid on construction material or on equipment or structures under construction?

Answer. Insurance premiums paid on construction material or on equipment or structures under construction shall be charged to specific property accounts when they can be allocated to such accounts; otherwise to account WP 11, "Miscellaneous."

CASE 27.

Query. To what account should be charged the cost of installing fire hose on vessels and harbor equipment?

Answer. The cost of first installation of fire hose on a line vessel shall be charged to account WP 1, "Line equipment"; on harbor tugs and lighters to account WP 2, "Harbor equipment," and on miscellaneous floating equipment to account WP 3, "Miscellaneous floating equipment." Repairs of such hose shall be charged to account WE 2, "Vessels—Repairs," or WE 5, "Tugs and lighters—Repairs," as may be appropriate.

CASE 28.

Query. A company desires to set up in the depreciation reserve account the estimated amount of depreciation which has accrued from the beginning of its operations to the present. How should such adjustment be entered in the accounts?

Answer. That proportion of the charges representing depreciation on vessels, tugs, and lighters assignable to the period prior to July 1, 1912, shall be charged to WPL 16, "Miscellaneous debits," and corresponding credit made to account WB 1-B, "Reserves for accrued depreciation—Cr." If the depreciation assignable to the period subsequent to July 1, 1912, has not been accounted for by monthly charges to operating expense accounts WE 4, "Vessels—Depreciation," and WE 7, "Tugs and lighters—Depreciation," and corresponding credits to balance-sheet account WB 1-B, "Reserves for accrued depreciation—Cr.," the carrier should submit full particulars to the Commission and request instructions as to the manner of making the adjustment.

If a company desires to make an adjustment of depreciation on property and equipment not included in account WP 1, "Line equipment," WP 2, "Harbor equipment," or WP 3, "Miscellaneous floating equipment," that proportion of such depreciation assignable to the period prior to the current fiscal year shall be charged to account WPL 16, "Miscellaneous debits," and the proportion assignable to the current fiscal year shall be charged to the accounts to which repairs of such property are chargeable.

The charge to profit and loss account for depreciation prior to July 1, 1912, may be made before or at the time of the retirement. If the depreciation assignable to the period prior to July 1, 1912, is not charged off until the equipment is retired, it shall be charged directly to profit and loss account and corresponding credit made to the appropriate real property and equipment account. (See Case 84.)

CASE 29.

Query. To what account should be credited the amount of a deposit made by a member of a ship's crew and not called for on leaving the service of the company?

Answer. If the company chooses to close the liability account for such a deposit, the amount shall be credited to profit and loss account WPL 5, "Miscellaneous credits."

CASE 30.

Query. To what account should be credited the amount received for advertising in time-tables?

Answer. The amount received for the sale of advertising space in time-tables shall be credited to account WE 21, "Advertising."

CASE 31.

Query. To what account should be charged counsel fees paid for the preparation of the legal papers required in the merger of one steamship company with another?

Answer. To account WP 11, "Miscellaneous."

CASE 32.

Query. To what account should be charged the cost of repairs and replacements of watchmen's portable clocks used in pier sheds and the cost of paper dials used in such clocks?

Answer. The cost of repairs and replacements of such clocks shall be included in account WE 42, "Wharf supplies and expenses," and the cost of the paper dials in account WE 37, "Stationery and printing."

CASE 33.

Query. To what account should be charged receivers' allowances and expenses?

Answer. To operating expense account WE 48, "Salaries and expenses of general officers," except that expenses incurred for legal services shall be charged as indicated in the text of account WE 51, "Law expenses."

CASE 34.

Query. To what account should be charged the cost of fire extinguishers installed in vessels, harbor tugs, and lighters?

Answer. The cost of first installation on vessels shall be charged to account WP 1, "Line equipment"; on harbor tugs and lighters to account WP 2, "Harbor equipment."

CASE 35.

Query. To what account should be charged the cost of refilling fire extinguishers used on vessels, harbor tugs, and lighters?

Answer. The cost of refilling fire extinguishers on vessels shall be charged to account WE 30, "Other supplies and department expenses," and on tugs and lighters to account WE 39, "Tugs and lighters—Operation."

CASE 36.

Query. To what account should be charged the premium paid on a bond in connection with the appeal of an injuries case?

Answer. To operating expense account WE 51, "Law expenses."

CASE 37.

Query. To what account should be charged the salaries and expenses of general office clerks and adjusters employed to investigate and keep records of loss and damage and overcharge claims?

Answer. The pay and expenses of general office employees engaged in recording and investigating loss, damage, and overcharge claims, shall be charged to account WE 49, "Salaries and expenses of clerks and attendants."

The pay and expenses of adjusters other than general office employees who handle loss and damage claims on freight and baggage shall be charged to account WE 44, "Loss and damage—Freight," or WE 45, "Loss and damage—Baggage," as may be appropriate.

CASE 38.

Query. A company owning land which extends some distance out into a river has driven piles along the boundary line as a retaining wall. Contractors doing excavating nearby are paying for the privilege of dumping earth upon this property. To what account should be credited such collections?

Answer. Assuming that the value of the land is not diminished, the amounts received from others for the privilege of dumping earth upon it shall be credited to account WI 13, "Miscellaneous income."

CASE 39.

Query. To what account should be charged expenses incurred at hospitals in ports of call, on account of members of the crew?

Answer. Expenses incurred at hospitals on account of sick members of the crew when assumed by the carrier shall be charged to account WE 33, "Other operation of vessels expenses."

CASE 40.

Query. To what account should be charged the wages of wireless operators and payments for use of wireless apparatus?

Answer. The wages of wireless operators shall be charged to account WE 25, "Wages of crews." Rent of wireless apparatus shall be charged to account WE 33, "Other operation of vessels expenses." If payments for the use of the wireless apparatus include operators' wages, the entire amount shall be charged to account WE 33.

CASE 41.

Query. Certain piers owned by a city and leased to a steamship company were extended by the city approximately 100 feet, and prior to the extension certain repairs were required to be made, involving an outlay of \$5,000. How should the cost of the repairs required by the city be accounted for?

Answer. The cost of repairs shall be included in operating expense account WE 13, "Docks, wharves, buildings, and fixtures," when the repairs are made, unless a reserve to cover such repairs has been *previously* created by monthly accruals.

CASE 42.

Query. Is it proper to include a note which runs for four years in balance sheet account WB 36, "Funded debt," until the note matures, or should a transfer be made to account WB 38, "Loans and bills payable," at the end of three years?

Answer. A note which runs for four years shall be included in balance sheet account WB 36, "Funded debt," until it matures, for the reason that such note matures more than one year after date of issue.

CASE 43.

Query. A company sold excursion tickets from A to B at the rate of \$2 per round trip. On account of weather conditions it was impossible to make the return trip, and the company was compelled to return the excursion party by rail. To what account should be charged the amount of the rail fare paid by the company?

Answer. To account WE 83, "Other operation of vessels expenses."

CASE 44.

Query. To what account should be charged amounts paid for rent of piers?

Answer. To income account WI 18, "Miscellaneous rents." In accordance with note C of account WI 18, if the piers are maintained by the lessor, such proportion of the rent as equals the cost (estimated if not known) of maintaining the property, shall be charged by the accounting company to operating account WE 13, "Docks, wharves, buildings, and fixtures."

CASE 45.

Query. A company owns a tug which is operated principally for the benefit of outside parties. Should the expense in connection with its operation be charged to operating expenses or to account WI 15, "Auxiliary operations—Expenses"?

Answer. If the tug is operated principally to serve others, it will be proper to include the revenues and expenses in the appropriate auxiliary operations accounts in income. If, however, the service performed for others is merely incidental, the tug being employed principally in connection with the company's business, the revenue derived from the incidental operation in the service of others shall be credited to account WR 8, "Miscellaneous transportation revenue," and the entire expense of maintenance and operation shall be included in the appropriate operating expense accounts.

CASE 46.

Query. Ten years ago a company purchased a steamer which was then 25 years old. Depreciation has been accrued on this vessel to the extent of \$10,000. New boilers are now to be put into the steamer. The cost of the new boilers and their installation will be about \$30,000. It is estimated that the cost of the new boilers is 25 per cent greater than the original cost of the boilers in the ship when purchased. How should the cost of the new boilers be accounted for?

Answer. The value (estimated if not known) of the old boilers at the time of purchase shall be credited to the property WP 1, "Line equipment"; concurrently, account WB 1-B, "Reserve for accrued depreciation—Cr.," shall be charged with the amount carried therein with respect to the boilers retired. Proper account shall be taken of salvage and the remaining amount, if any, shall be charged to operating expense account WE 2, "Vessels—Repairs."

The cost of taking out the old and installing the new boilers shall be charged to operating expense account WE 2, "Vessels—Repairs."

The cost of the new boilers shall be charged to account WP 1, "Line equipment."

(See paragraph 6, on page 9, of the *Classification of Expenditures for Real Property and Equipment*.)

CASE 47.

Query. To what account should be charged the wages of members of a crew who are called upon to testify in a collision case?

Answer. If the wages are not recoverable, they shall be charged to operating expense account WE 46, "Damage to property," unless, however, the action is for personal injuries, in which case account WE 47, "Injuries to persons," shall be charged.

CASE 48.

Query. Is it permissible to include the cost of coal, delivered on board a steamer for fuel purposes but which has not been consumed during the month, in account WB 15, "Materials and supplies."

Answer. Yes.

CASE 49.

Query. A company sold a steamer for \$100,000, the book cost of which was \$150,000. The accrued depreciation amounted to \$10,000 at date of sale. This steamer is not to be replaced. To what account should be charged the difference between the proceeds of the sale and the book value, less accrued depreciation?

Answer. The difference, amounting to \$40,000, shall be charged to account WPL 14, "Real property and equipment debits." (*See section 7, page 9, of the Classification of Expenditures for Real Property and Equipment.*)

CASE 50.

Query. To what account should the amount of deductible averages in hull policy insurance claims be charged?

Answer. If by the term "deductible averages" is meant the provision for deducting a proportion of the expense from the total claim, such deduction shall be charged to accounts WE 2, "Vessels—Repairs" or WE 5, "Tugs and lighters—Repairs," as may be appropriate. If more than one account is affected, the distribution of the amount of the deductible average shall be made over the appropriate accounts on a percentage basis.

CASE 51.

Query. To what account should the salaries of agents and clerks at ports of call be charged?

Answer. To operating expense account WE 35, "Salaries of agents, clerks, and attendants."

CASE 52.

Query. To what account should be charged the cost of repairing electric and hand trucks used in handling freight on wharves?

Answer. To operating expense account WE 16, "Other maintenance of terminals expenses."

CASE 53.

Query. To what account should be charged the cost of renewing batteries and battery acid for enunciators and fire-alarm systems, and carbons for search-lights, on steamers?

Answer. To operating expense account WE 80, "Other supplies and department expenses."

CASE 54.

Query. To what account should be charged the cost of electric lamps used on floating equipment?

Answer. The first cost of electric lamps installed on floating equipment shall be charged to real property and equipment account WP 1, "Line equipment,"

WP 2, "Harbor equipment," or WP 3, "Miscellaneous floating equipment," as may be appropriate; the cost of repairing or renewing such lamps shall be charged to operating expense account WE 2, "Vessels—Repairs," or WE 5, "Tugs and lighters—Repairs," as may be appropriate.

CASE 55.

Query. To what accounts should be charged the cost of rubber stamps for purser's office, local offices, and general office?

Answer. The cost of rubber stamps used in the purser's office shall be charged to operating expense account WE 37, "Stationery and printing," if such office is located on the wharf; if on the steamer, the charge shall be made to account WE 28, "Stationery and printing." The cost of rubber stamps for local offices shall be charged to account WE 37, "Stationery and printing," and those for general offices shall be charged to account WE 54, "Stationery and printing."

CASE 56.

Query. To what account should the cost of boat checks and ticket punches used by the purser be charged?

Answer. To account WE 28, "Stationery and printing."

CASE 57.

Query. To what account should the cost of baggage checks be charged?

Answer. To account WE 37, "Stationery and printing."

CASE 58.

Query. To what account should be charged the cost of repairing iron fire lines made of pipe?

Answer. The cost of repairing iron fire lines, if on floating equipment, shall be charged to account WE 2, "Vessels—Repairs," or WE 5, "Tugs and lighters—Repairs," as may be appropriate; if on wharves, to account WE 18, "Docks, wharves, buildings, and fixtures."

CASE 59.

Query. To what account should be charged the cost of maintaining and operating an automobile for advertising purposes?

Answer. To account WE 21, "Advertising."

CASE 60.

Query. To what account should be charged the cost of moving office furniture and equipment from one office to another?

Answer. To the operating expense accounts to which repairs of such furniture and equipment would be charged after removal. If, for instance, the furniture was moved to the office of the superintendent of equipment, the cost of removing it shall be charged to WE 1, "Superintendence"; if the furniture was moved to the office of the superintendent of traffic, to account WE 17, "Superintendence"; or, if the furniture was moved to the general office, account WE 50, "General office supplies and expenses," shall be charged.

CASE 61.

Query. To what account should be charged the cost of repairing a telephone system which operates to staterooms on vessels?

Answer. To account WE 2, "Vessels—Repairs."

CASE 62.

Query. Are carriers by water required to keep all the accounts comprised in the classifications of expenditures for real property and equipment, operating revenue, income, profit and loss, and general balance sheet accounts?

Answer. Carriers by water, subject to the jurisdiction of the Commission, are required to keep their expenditures for real property and equipment, operating revenue, income, profit and loss, and general balance sheet accounts under the same classifications, no condensed classifications being provided for small carriers except that for operating expenses as set forth on page 11 of the classification of operating expenses.

CASE 63.

Query. A company is required under the conditions of a mortgage to keep a certain number of bonds, or the proceeds thereof, in a fund which may be used only for the payment of the cost of new property acquired, or of additions, extensions, and permanent improvements. Under what balance-sheet account should be included the par value of the bonds so held, or the proceeds thereof?

Answer. The par value of the bonds held in the company treasury, unsold, shall be included in balance-sheet account WB 28, "Insurance and other reserve fund assets." When the bonds are sold, the proceeds, until used, shall be included in the same account.

CASE 64.

Query. (1) To what account should be charged the amount of interest accrued during the construction period on funds borrowed for the construction of a steamship?

(2) To what account should be credited the amount of interest payable which has been accrued and charged to construction?

(3) Is it permissible for a company having no funded (or unfunded) debt to include a reasonable charge for interest, during the construction period, on working funds used for construction purposes?

Answer. (1) To account WP 1, "Line equipment." Whenever it is possible to do so, interest accrued on funds used for construction purposes shall be included as part of the cost of the particular work; if such disposition is impracticable, the interest shall be included in account WP 11, "Miscellaneous."

(2) To balance-sheet account WB 47, "Unmatured dividends, interest, and rents payable" if such interest is payable to others. (*See part 3 of this case.*)

(3) It is permissible to include a reasonable charge for interest during the construction period on the carrier's own funds used temporarily, the corresponding credit being made to account WI 9, "Income from unfunded securities and accounts."

CASE 65.

Query. Account WI 10, "Income from sinking and other reserve funds," provides that "This account should include the income accrued on cash, securities, and other assets (not including securities issued or assumed by the accounting company) held in sinking and other reserve funds." To what account should be credited the income on securities issued or assumed by the accounting company?

Answer. Under the rules contained in accounts WI 22, "Interest on funded debt," WI 29, "Dividend appropriations of income," and WPL 9, "Dividend

appropriations of surplus," it is provided that a company shall not include interest or dividends upon funded debt or stocks issued or assumed by the company and owned by it. Interest on funded debt and dividends on stocks may be accrued or paid only on securities not held by or for the accounting company.

If contractual requirements necessitate increasing the sinking fund annually by the amount of income which would have accrued on the company's securities if they were not owned by the company, such amount shall be charged to account WI 28, "Appropriations of income to sinking and other reserve funds," or WPL 8, "Appropriations of surplus to sinking and other reserve funds," and credited to the appropriate reserve account. If the equivalent of this sum is then paid in cash into the reserve fund, "Cash" shall be credited and account WB 27, "Sinking fund assets," shall be correspondingly charged. (*See Case 109.*)

CASE 66.

Query. This company purchased, according to the provision in one of its mortgages, \$8,000 (par value) of its bonds for cash, at a premium of 1 per cent, amounting to \$80, plus accrued interest amounting to \$185.56.

- (1) To what account should be charged the premium of \$80?
- (2) To what account should be charged the interest amounting to \$185.56?
- (3) Should any adjustment be made for the face value, \$200, of the attached coupons next falling due, interest amounting to \$185.56 having accrued?

Answer. (1) To account WPL 16, "Miscellaneous debits," in accordance with the text of that account.

(2) The amount of interest paid, \$185.56, shall be charged to the account to which credit had been made for accrued interest. (Interest on the bonds purchased shall be accrued to the date of purchase.)

(3) No adjustment as to the coupons is necessary, for the reason that it is not permissible for carriers to enter accruals of interest on bonds issued or assumed and reacquired.

CASE 67.

Query. What account should be charged with expenses incurred because of a strike of longshoremen?

Answer. The wages of employees taking the place of strikers shall be charged to the same accounts as the regular wages of the employees on strike. The same disposition shall be made of overtime.

Any unusual expenses (not wages or overtime), such as meals or police protection, shall be charged to account WE 43, "Other operation of terminals expenses."

Expenses incurred directly in connection with the strike and not chargeable to the primary accounts preceding general account IV, "General expenses" shall be charged to account WE 55, "Other general expenses." (*See Case 4.*)

CASE 68.

Query. To what account should be charged amounts paid annually for licenses to sell liquors on steamships?

Answer. To account WE 31, "Bar supplies."

CASE 69.

Query. To what account should be charged an amount refunded to a shipper in connection with an overcharge due to misrouting by a carrier's agent?

Answer. The proportion of the overcharge accruing on the line of the carrier responsible for the error shall be charged to account WR 1, "Freight revenue"; the remainder of the refund, representing the overcharge on other lines, shall be charged by the company liable therefor to account WE 44, "Loss and damage—Freight."

CASE 70.

Query. A company has installed telephones connecting its general offices, all of which are located in a leased building. To what account should be charged the cost of installing these telephones?

Answer. The cost of installing telephones having the character of movable apparatus shall be charged to account WP 9, "Office equipment." When telephone systems are leased for use in general offices the rent shall be charged to account WE 50, "General office supplies and expenses."

CASE 71.

Query. In what account in the general balance sheet should be included advances to a subsidiary corporation formed for the purpose of holding title to property not used for water line purposes? The advances are for the purpose of enabling the subsidiary company to acquire real estate.

Answer. In account WB 6, "Miscellaneous investments," subprimary account (d), "Other miscellaneous investments."

CASE 72.

Query. A company owning certain ocean front lots, the cost of which is included in account WP 6, "Water front and terminal grounds," has found it necessary to construct a sea wall to prevent the land from being washed away. To what account should the cost of the wall be charged?

Answer. To account WP 6, "Water front and terminal grounds."

CASE 73.

Query. Occasionally a company sells material from stores and a small percentage is added to cover the expense of handling, etc. To what account should the added percentage be credited?

Answer. As the added percentage represents principally the cost of handling, it shall be credited to the operating expense or clearing account charged with such expense. (See Case 98.)

CASE 74.

Query. A number of years ago a company sold bonds at par. These bonds are now due and refunding mortgage bonds, due 25 years hence, are being issued at 90. Is it permissible to amortize the 10 per cent discount on the refunding mortgage bonds throughout the 25 years?

Answer. Yes.

CASE 75.

Query. In what balance-sheet account should be included interest paid in advance on notes payable?

Answer. In account WB 31, "Other deferred debit items."

CASE 76.

Query. Under the sinking-fund provisions of a mortgage a company is required to set aside annually, and to pay trustees, specified sums for the purpose of retiring the bonds issued under the mortgage.

(a) What is the correct accounting for the amounts thus set aside?

(b) How should bonds issued or assumed by the accounting company and purchased by the trustees of the sinking fund be accounted for?

Answer. (a) The specified sums set aside annually for sinking-fund purposes shall be charged to income account WI 28, "Appropriations of income to sinking and other reserve funds," or profit and loss account WPL 8, "Appropriations of surplus to sinking and other reserve funds," as may be appropriate, and credited to balance-sheet account WB 56, "Reserves from income or surplus." When the sums set aside are paid to the trustees of the sinking fund, balance-sheet account WB 27, "Sinking-fund assets," shall be charged and account WB 8, "Cash," credited.

(b) If the trustees purchase at a discount bonds issued or assumed by the accounting company, the amount of discount shall be charged to account WB 27, "Sinking fund assets," and concurrently credited to account WPL 5, "Miscellaneous credits." If the bonds are purchased at a premium, the amount of the premium paid shall be credited to account WB 27, "Sinking fund assets," and concurrently charged to profit and loss account WPL 16, "Miscellaneous debits."

When the reacquired bonds are canceled, account WB 27, "Sinking fund assets," shall be credited and account WB 36, "Funded debt," charged with the par value of the bonds. Concurrently, account WB 56, "Reserves from income or surplus," shall be charged and account WB 54, "Surplus invested in property since December 31, 1912," credited with the amount of surplus expended in the discharge of the principal (less the discount, if any, suffered at the time of sale) of the bonds.

CASE 77.

Query. To what account should be charged commissions allowed trustees, acting under a sinking fund provision of a mortgage, for redeeming bonds?

Answer. Income account WI 27, "Miscellaneous fixed charges." (See Case 19.)

CASE 78.

Query. When the president of a carrier company is directly in charge of the operating departments, how shall the salaries and expenses of that officer and his clerks be distributed?

Answer. If the president is immediately in charge of the departments usually supervised by officers named in the accounts "Superintendence" under Maintenance of Equipment, Maintenance of Terminals, Traffic Expenses, and Transportation Expenses, his salary and expenses and those of his clerks and assistants shall be apportioned in accordance with the note under operating expense account WE 48, "Salaries and expenses of general officers." If the president has, as is usual, only general supervision over the various departments, his salary and expenses shall be charged to expense account WE 48, "Salaries and expenses of general officers."

CASE 79.

Query. To what account shall be charged the amount of a judgment, including court costs, in an action of the United States against a carrier on account of defective equipment?

Answer. To account WPL 16, "Miscellaneous debits."

CASE 80.

Query. What account shall be charged with United States Government fines imposed by the collector of customs for the delivery of freight in bond directly to the consignee, instead of to the collector of the port, the offense being due to the failure of the delivery clerk to notify the customhouse inspector at the point of delivery?

Answer. To account WPL 16, "Miscellaneous debits."

CASE 81.

Query. To what account shall be charged premiums paid to procure currency needed to pay the wages of employees?

Answer. To account WE 55, "Other general expenses."

CASE 82.

Query. To what account shall be credited the amount received by a carrier for the surrender of an unexpired lease for offices occupied by it?

Answer. To account WPL 5, "Miscellaneous credits."

CASE 83.

Query. To what account shall be charged the cost of options on lands for terminals, the plans for construction of which were postponed?

Answer. The amount paid for options on property which it was proposed to use in the construction of terminals shall be carried in a suspense account until the proper disposition has been finally determined. If, later, the plan is definitely abandoned, and the amount expended is lost, the loss sustained shall be charged to account WPL 16, "Miscellaneous debits."

CASE 84.

Query. How may a carrier make adjustment of the differences, due to insufficient charges for depreciation, between the value of equipment as carried in its property account and the actual value of the equipment as ascertained by an appraisal?

Answer. If a carrier's accounts prior to July 1, 1912 (the effective date of the depreciation accounts in Operating Expenses), show insufficient charges for depreciation, and a carrier elects to make an adjustment so that the property equipment accounts shall in fact reflect the cost of equipment in service and the depreciation accounts reflect the full amount of depreciation accrued on such equipment from the date acquired, such adjustment for depreciation prior to July 1, 1912, shall be made through profit and loss.

Advice as to the proper disposition of differences due to insufficient charges for depreciation after July 1, 1912, will be given by the Commission upon receipt of particulars of such discrepancies. (See Case 28.)

CASE 85.

Query. To what account should be charged the rent of a pier for mooring purposes during the winter months when navigation is closed?

Answer. To account WI 18, "Miscellaneous rents."

CASE 86.

Query. Equipment and terminals are acquired at a cost equal to the amount realized from the proceeds of a bond issue. Capital stock is issued gratuitously to bondholders. What entries shall be made in the balance-sheet accounts on account of the issue of this stock?

Answer. The par value of the stock issued shall be credited to account WB 33, "Capital stock," and shall be debited to accounts covering discount and premium on capital stock. The cost of equipment and terminals as stated in the real property and equipment accounts shall be their actual net cost in cash.

CASE 87.

Query. A carrier sells notes because the money market does not warrant the sale of bonds which are deposited as collateral for the notes. Is it permissible to spread the discount on the notes over the life of the bonds, treating the sale and retirement of both notes and bonds as one transaction?

Answer. The sale and retirement of the notes shall be separately accounted for, and the discount suffered shall be treated as provided in account WI 23, "Interest on unfunded debt," if the notes are for a term not exceeding one year. If for a longer term, the discount shall be included in account WI 24, "Amortization of discount on funded debt," and extinguished in accordance with the text of that account.

CASE 88.

Query. To what account shall be charged a contribution to cover the deficit incident to holding a series of educational meetings, sometimes called a "Chautauqua." ? This contribution was guaranteed for the purpose of securing traffic.

Answer. The amount shall be charged to account WE 21, "Advertising."

CASE 89.

Query. A company owns a share of stock in a cotton exchange which is not reflected in its accounts. It is impossible to now determine from the records what amount was actually paid for this share of stock, and it is desired to enter its value in the accounts. What value should be placed thereon, and what entries should be made in connection therewith?

Answer. Under the circumstances, the book value of this share of stock should be the present-day market value. If there is no market value, it is recommended that a conservative nominal value be placed on the stock.

The market or nominal value of the stock should be charged to account WB 6, "Miscellaneous investments," "(c) Securities unpledged," and correspondingly credited to account WPL 5, "Miscellaneous credits."

CASE 90.

Query. To what account shall be credited amounts received from anonymous sources ordinarily designated as "conscience money"?

Answer. Unless the remittances indicate that the payments are assignable to the revenue, expense, or income accounts, such payments shall be credited to account WPL 5, "Miscellaneous credits."

CASE 91.

Query. Real estate purchased in the names of individuals is used by a carrier for operating purposes. How shall its cost be accounted for?

Answer. Under the assumption that the individuals in whose names the property has been purchased merely hold the property in trust for the carrier, the cost of the real estate shall be included in the carrier's property investment accounts.

CASE 92.

Query. A crane, which was being used in removing old piles in connection with the repairs and additions and betterments to a wharf, fell through the wharf. The engineer of the crane was injured. To what account shall be charged the payments on account of these injuries?

Answer. The accident having occurred in connection with the removal of the old structure as a preliminary to the construction of improved wharf facilities, the payments shall be charged to expense account WE 14, "Injuries to persons."

CASE 93.

Query. Fuel, purchased by a carrier from mines located upon a connecting carrier's road, is transported upon the basis of through rates. To what account shall be credited the purchasing carrier's proportion of the through rate?

Answer. If the through freight charges on the fuel are charged to the fuel account, the carrier's proportion of the freight charges shall be credited to the same account. The purchasing carrier's proportion of the through rate should not remain in its freight revenue account.

CASE 94.

Query. A carrier pays the salaries of the employees and all other expenses of a joint outside ticket agency and charges each tenant company for a proportion of these expenses, based upon the ticket sales. In what accounts shall these charges be included?

Answer. Carriers have the option, according to their convenience in accounting, of crediting the proportions of the expenses of joint traffic offices charged to other carriers directly to their pay-roll and voucher accounts, or of including all charges on account of service in the primary operating expense accounts and crediting foreign lines' proportions to the same accounts. Joint traffic expenses are usually readily assignable to the primary accounts.

CASE 95.

Query. When land is rented in connection with addition and betterment projects, pending an actual purchase of the property, is the amount of such rent properly chargeable to the cost of additions and betterments? To what account shall be credited rents received from subtenants of such property?

Answer. Provided the primary object in the renting of property is to facilitate the addition and betterment work, the rents paid and received (during the construction period) shall be included in the real property and equipment accounts.

CASE 96.

Query. The coupons on certain equipment trust obligations contain a stipulation that if not paid on date of maturity the coupons shall bear interest from that date. To what account shall the interest on the coupons be charged?

Answer. It shall be charged to income account WI 23, "Interest on unfunded debt."

CASE 97.

Query. An operating carrier rents a part of its terminal for use as a warehouse and produces electrical power for use of the tenant. To what account should be credited the compensation received?

Answer. If the compensation received is not based on distinct charges for rent of the facility and for the power furnished, and the quantity of power furnished is relatively small, the credit shall be to account WR 9, "Rents of buildings and other property."

If, however, the amounts charged for rent and power are clearly separable, the proportion representing rent shall be included in account WR 9, and the proportion representing power shall be included in account WR 10, "Miscellaneous."

CASE 98.

Query. A carrier includes in the price of material sold by it the tariff charges for transportation over its line. To what account shall these charges be credited?

Answer. To account WR 1, "Freight revenue." (See Case 73.)

CASE 99.

Query. To what account shall be charged the cost of repairs and renewals of tableware, silverware, linen, and kitchen utensils and furniture on floating equipment?

Answer. To account WE 2, "Vessels—Repairs," or WE 5, "Tugs and lighters—Repairs," as may be appropriate.

CASE 100.

Query. To what accounts shall be charged plaintiff's court costs and also the carrier's own court costs in connection with personal injury cases, when such expenses are borne by the carrier?

Answer. The plaintiff's court costs shall be charged to the appropriate accounts for injuries to persons. The carrier's court costs shall be charged to account WE 51, "Law expenses."

CASE 101.

Query. When securities, which mature serially, are sold in one lot at a flat discount rate upon their entire par value, how should the discount be amortized?

Answer. The discount and expenses shall be amortized through charges to income in such manner that the ratio between the amortization charges and the principal of the securities outstanding will be uniform for all fiscal periods.

For example: A company issues five \$1,000 equipment trust certificates, one certificate maturing each year. The debt discount and expense is \$450. The distribution of the discount and expense should be as follows:

First year, principal outstanding \$5,000, amortization charge (rate 3 per cent) -----	\$150
Second year, principal outstanding \$4,000, amortization charge (rate 3 per cent) -----	120
Third year, principal outstanding \$3,000, amortization charge (rate 3 per cent) -----	90
Fourth year, principal outstanding \$2,000, amortization charge (rate 3 per cent) -----	60
Fifth year, principal outstanding \$1,000, amortization charge (rate 3 per cent) -----	30

CASE 102.

Query. To what account shall be charged interest paid on deferred taxes?

Answer. To account WI 23, "Interest on unfunded debt."

CASE 103.

Query. To what account should be credited profit realized by reason of charging underwriters an arbitrary rate for meals furnished laborers engaged in lightering cargo on a stranded steamer?

Answer. If the profit is slight, it may be credited to the operating expense account which was charged with the cost of the meals. If the cost of the meals is not charged to operating expenses, the net profit should be credited to account WI 13, "Miscellaneous income."

CASE 104.

Query. To what account shall be charged amounts paid to trust companies for the registration and transfer of capital stock?

Answer. Payments in connection with the initial issuance of capital stock shall be charged to account WP 11, "Miscellaneous." Payments in connection with the transfer of capital stock shall be included in account WE 55, "Other general expenses." (See Case 15.)

CASE 105.

Query. To what account should be charged amounts paid to chambers of commerce or other organizations for reporting steamers?

Answer. To account WE 33, "Other operation of vessels expenses."

CASE 106.

Query. A rail carrier owns, maintains, and operates a wharf and a warehouse adjacent thereto. A water line uses the wharf for loading and unloading freight and uses the warehouse, jointly with the owner, for receiving and delivering freight. For the use of the warehouse and wharf and services performed in connection with the operation thereof the water line pays upon the basis of a rate per ton handled. To what account should such payments be charged?

Answer. To account WE 43, "Other operation of terminals expenses."

CASE 107.

Query. A carrier has received authority from the Interstate Commerce Commission to accrue depreciation on wharves and terminal buildings, furniture and fixtures therein, shop machinery and tools, and transfer equipment (horses, wagons, trucks, motors, etc.). In what accounts should the charges for current depreciation on such property be included?

Answer. Charges for current depreciation upon wharves and terminal buildings, and furniture and fixtures therein, shall be included in a subprimary account titled: WE 13a, "Docks, wharves, buildings, and fixtures—Depreciation." Depreciation upon shop machinery and tools shall be included in a subprimary account titled: WE 8a, "Shop machinery and tools—Depreciation." Depreciation upon transfer equipment shall be charged to a subprimary account titled: WE 16a, "Transfer equipment—Depreciation."

CASE 108.

Query. The text of operating revenue account WR 1, "Freight revenue," reads in part as follows:

"This account should be charged with * * * amounts uncollected or refunded on freight destroyed in transit and on short and lost freight; also uncollectible undercharges determined after delivery has been made."

The text of operating expense account WE 44, "Loss and damage—Freight," reads in part as follows:

"This account should include * * * uncollectible freight charges paid other carriers on lost, misrouted, damaged, or refused shipments * * *."

Is there not a conflict between the texts of these accounts as above quoted?

Answer. There is no conflict. Charges shall be made to operating revenue account WR 1, "Freight revenue," in connection with freight destroyed in transit, short and lost freight, and uncollectible undercharges, only when this account has previously received credit for the amounts being refunded: the amounts of such charges to "Freight revenue" shall not exceed the amounts already credited thereto for such shipments.

Charges to operating expense account WE 44, "Loss and damage—Freight," shall be confined to refunds of other company's proportion of freight revenue on lost, destroyed, and damaged shipments; such proportions will not, of course, have been credited to the accounting company's freight revenue account.

CASE 109.

Query. A company purchased three of its equipment trust bonds at par. Is it proper to charge balance sheet account WB 9, "Marketable securities," with the par value of these bonds and in compiling a balance sheet omit the par value from the assets and deduct same from the liabilities? To what income account should the interest on these bonds be credited?

Answer. If the bonds have not been canceled, the par value shall be charged to an appropriate ledger account and, as required by the text of balance sheet account WB 36, "Funded debt," in annual reports to the Commission the par value thereof shall be deducted from the total amount of bonds outstanding. (See paragraph 3, of the general instructions, on page 10 of the Form of Balance Sheet Statement.)

No interest shall be accrued on the company's own bonds when held by or for it. (See note A of income account WI 22, "Interest on funded debt.")

If the bonds were acquired for sinking fund purposes and contractual requirements necessitate increasing the sinking fund annually by the amount of income which would have accrued on the company's bonds if they were not owned by the company, such amount shall be charged to account WI 28, "Appropriation of income to sinking and other reserve funds," or account WPL 8, "Appropriation of surplus to sinking and other reserve funds," as may be appropriate, and correspondingly credited to the sinking fund reserve account. The equivalent of this sum is then paid in cash into the reserve fund, in which case "Cash" shall be credited and account WB 27, "Sinking fund assets," shall be correspondingly charged. (See Case 65.)

CASE 110.

Query. This company's towboats are employed in terminal operations and also tow the company's steamers to and from stream. To what accounts should be charged the expenses incident to their operations?

Answer. The expense incident to the operation of towboats employed in terminal operations and in assisting steamers to and from stream shall be dis-

tributed upon an equitable basis between operating expense accounts WE 33, "Other operation of vessels expenses," and WE 39, "Tugs and lighters—Operation."

CASE 111.

Query. Is it permissible to create by charges to surplus a reserve to which may be debited extraordinary losses? It is the intention to charge this reserve with extraordinary losses, such as the loss of a ship or cargo losses when same amount to \$50,000 or more. In other words, the reserve will take care of only extraordinary losses.

Answer. The classification of operating expenses was framed for the purpose of having included therein all items of expenses, both ordinary and extraordinary, as provided in the text of the respective primary accounts, and it is improper to charge such losses to a reserve created by charges to either income or surplus.

CASE 112.

Query. To what account should be charged the cost of teaming freight from a company's wharf to a railroad station, in order to effect delivery to a connecting carrier? This transfer was necessary because of the congested condition of the terminal, the usual method of transfer being to load into cars on the wharf.

Answer. The cost of this team delivery shall be included in operating expense account WE 40, "Switching, lighterage, and other transfers."

CASE 113.

Query. As a result of a collision case, a ship of this company was ordered sold by the court to satisfy claims. This company purchased the ship at the trustee's sale for less than its original cost. Is it permissible to enter the cost of this ship at its original cost, crediting profit and loss with the difference between the original cost and the price paid the trustee?

Answer. As the ship has been repurchased from the trustee, the amount paid to such trustee shall be accounted for as the cost of the ship, and such amount only shall be charged to the appropriate real property and equipment account.

CASE 114.

Query. To what account should be charged the cost of a cash register installed on a steamer for use in connection with the sale of liquors?

Answer. To account WP 1, "Line equipment."

CASE 115.

Query. Company A has the exclusive rights to an amusement park, including the use of wharf or landing at the entrance to the park. It is unable to handle with its own vessels all the traffic going to this park, and makes a contract with company B as follows:

A is to advertise that certain boats operated by B will stop at this landing on their regular runs at advertised hours. B has no expenses except for the sale of tickets to this point and the small expense of stopping for a short time at the landing. Out of the revenue from the sale of tickets B is to pay A an allowance of 7 cents on each ticket. A agrees that this allowance of 7 cents will be spent in advertising the trips of B's boats. How should B account for this allowance of 7 cents per ticket?

Answer. Upon the condition that the company (A) receiving the 7 cents per ticket is required to spend the sum so received in advertising the trips of the

paying company's boats, the paying company (B) shall charge such amounts to operating expense account WE 21, "Advertising."

CASE 116.

Query. To what extent shall detailed information be shown in the general books of carriers by water?

Answer. The records shall be kept with sufficient particularity to show fully the facts pertaining to all entries made in the accounts. Where the full information is not recorded in the general books, the entries therein shall be supported by other records, in which the full details shall be shown. Such general book entries shall contain sufficient reference to the detail records to permit ready identification of the latter, and the detail records shall be kept in such manner as to be readily accessible when required for examination by representatives of the Interstate Commerce Commission.

CASE 117.

Query. Is it required that all materials and supplies be carried through the materials and supplies account?

Answer. No. Materials and supplies purchased for a specific project or for immediate use may be charged directly to the accounts affected and need not be carried through account WB 15, "Materials and supplies."

CASE 118.

Query. Does the Interstate Commerce Commission require that specific assets be set aside to cover sinking fund appropriations?

Answer. No. Appropriations of income and the setting aside of assets usually depend upon the provisions of the mortgage or upon the policy of the company. If assets are set aside they shall be carried in account WB 27, "Sinking fund assets."

CASE 119.

Query. To what account shall be credited amounts collected from contractors as penalties for failure to complete construction work at the specified time?

Answer. Such forfeiture shall be considered as an abatement of the cost of work covered in the contract and shall be credited to the account to which the cost of the work is charged.

CASE 120.

Query. To what account should be charged the cost of transferring rejected aliens from the company's wharf to the deportation depot and the expenses of such aliens held for deportation?

Answer. To account WE 43, "Other operation of terminals expenses."

CASE 121.

Query. What should be the accounting treatment in connection with delayed items of revenue, expense, or income?

Answer. Delayed items (items representing transactions which occurred before the current year) relating to operating revenue, operating expense, or income shall be included in the appropriate revenue, expense, or income account for the fiscal period in which the audit of the items occurs, except that when no provision has been made for anticipated delayed items chargeable or creditable to operating revenue, operating expense, or income, and the amount of any such item is relatively so large that its inclusion in the accounts for a

single year would seriously distort those accounts, the carrier, if so authorized upon application to the Interstate Commerce Commission, may distribute to profit and loss so much of the amount as may be authorized. The carrier in its application to the Commission shall give full particulars concerning each item and the reasons which, in its judgment, indicate the propriety of such accounting.

CASE 122.

Query. To what account should be charged rent of submarine signals on vessels?

Answer. To account WE 33, "Other operation of vessels expenses."

CASE 123.

Query. To what account should be charged interest paid in settlement of loss and damage claims?

Answer. To accounts WE 44, "Loss and damage—Freight," or WE 45, "Loss and damage—Baggage," as may be appropriate.

CASE 124.

Query. To what account should be charged lawful claims for expenses of passengers detained at a port due to changes in sailing schedules?

Answer. To account WE 33, "Other operation of vessels expenses."

CASE 125.

Query. To what account should be charged the cost of inventories and appraisals of real property and equipment?

Answer. The cost of inventories and appraisals shall be accounted for as follows:

(1) Those taken incident to a general valuation of property owned or used in transportation service, including those taken in accordance with the Act to Regulate Commerce, or with other similar Federal or State requirements, shall be charged to account WE 55, "Other general expenses," preferably in a sub-account entitled WE 55a, "Valuation expenses."

(2) Those taken on the orders of public authorities for other purposes, such as for use in rate cases, shall be charged to account WE 55, "Other general expenses."

(3) Those taken in connection with the proposed purchase of property shall be charged to account WB 31, "Other deferred debit items," pending final disposition. If the property is finally purchased, the cost shall be considered as part of the price paid and charged to the appropriate asset account. If the property is not purchased, the cost shall be charged to account WPL 16, "Miscellaneous debits."

(4) Those taken in connection with an issue of bonds shall be charged to account WB 24, "Unamortized debt discount and expense," and extinguished in accordance with the text thereof.

No amounts shall be included in the cost of inventories and appraisals for incidental services of officers and employees, but special office, clerical, traveling, and incidental expenses incurred by such officers and employees may be included.

CASE 126.

Query. At New York City, freight traffic is handled to and from wharves and steamships, partly by company lighters and partly by outside lighters.

(a) To what account should be credited the lighterage arbitraries on freight so handled?

(b) To what account should be charged the cost of operating company's lighters and lighterage arbitraries paid to lighterage companies upon the basis of tariff rates?

Answer. (a) To account WR 8, "Miscellaneous transportation revenue."

(b) The expenses incident to the operation of the company's lighters shall be charged to account WE 39, "Docks and lighters—Operation"; allowances to lighterage companies upon the basis of tariff rates shall be charged to account WR 8, "Miscellaneous transportation revenue."

INDEX BY ACCOUNTS.

OPERATING EXPENSES.

Maintenance:

A. Maintenance of equipment—	Case.
WE 1. Superintendence.....	20, 21, 60
WE 2. Vessels—Repairs.....	24, 27, 46, 50, 54, 58, 61, 99
WE 4. Vessels—Depreciation.....	28
WE 5. Tugs and lighters—Repairs.....	27, 50, 54, 58, 99
WE 7. Tugs and lighters—Depreciation.....	28
WE 8a. Shop machinery and tools—Depreciation.....	107
WE 9. Injuries to persons.....	16
B. Maintenance of terminals--	
WE 12. Superintendence.....	20, 21
WE 13. Docks, wharves, buildings, and fixtures.....	41, 44, 58
WE 13a. Docks, wharves, buildings, and fixtures—Deprecia- tion.....	107
WE 14. Injuries to persons.....	16, 92
WE 16. Other maintenance of terminals, expenses.....	52
WE 16a. Transfer equipment—Depreciation.....	107

Traffic expenses:

WE 17. Superintendence.....	20, 25, 60
WE 21. Advertising.....	30, 59, 88, 115
WE 23. Other traffic expenses.....	18

Transportation expenses:

A. Operation of vessels—	
WE 25. Wages of crews.....	11, 40
WE 28. Stationery and printing.....	55, 56
WE 30. Other supplies and department expenses.....	35, 53
WE 31. Bar supplies.....	68
WE 33. Other operation of vessels, expenses.....	23, 39, 40, 43, 105, 110, 122, 124
B. Operation of terminals—	
WE 35. Salaries of agents, clerks, and attendants.....	51
WE 37. Stationery and printing.....	31, 55, 57
WE 39. Tugs and lighters—Operation.....	35, 110, 126
WE 40. Switching, lighterage, and other transfers.....	112
WE 42. Wharf supplies and expenses.....	32
WE 43. Other operation of terminals, expenses.....	11, 12, 67, 106, 120
C. Incidental transportation expenses—	
WE 44. Loss and damage—Freight.....	37, 69, 108, 123
WE 45. Loss and damage—Baggage.....	37, 123
WE 46. Damage to property.....	47
WE 47. Injuries to persons.....	16, 47

General expenses:

	Case.
WE 48. Salaries and expenses of general officers.....	33, 78
WE 49. Salaries and expenses of clerks and attendants.....	20, 21, 37
WE 50. General office supplies and expenses.....	60, 70
WE 51. Law expenses.....	22, 33, 36, 100
WE 53. Pension and relief department expenses.....	16
WE 54. Stationery and printing.....	55
WE 55. Other general expenses.....	19, 67, 81, 104, 125
WE 55a. Valuation expenses.....	125

OPERATING REVENUES.

Revenue from transportation:

WR 1. Freight revenue.....	69, 98, 108
WR 8. Miscellaneous transportation revenue.....	45, 126

Revenue from operations other than transportation:

WR 9. Rents of buildings and other property.....	97
WR 10. Miscellaneous.....	97

INCOME.

Credits:

WI 9. Income from unfunded securities and accounts.....	64
WI 10. Income from sinking and other reserve funds.....	65
WI 13. Miscellaneous income.....	38, 103

Debits:

WI 15. Auxiliary operations—Expenses.....	45
WI 18. Miscellaneous rents.....	44, 85
WI 22. Interest on funded debt.....	65, 109
WI 23. Interest on unfunded debt.....	87, 96, 102
WI 24. Amortization of discount on funded debt.....	22, 87
WI 27. Miscellaneous fixed charges.....	19, 77
WI 28. Appropriations of income to sinking and other reserve funds.....	65, 76, 109
WI 29. Dividend appropriations of income.....	65

PROFIT AND LOSS.

Credits:

WPL 5. Miscellaneous credits.....	29, 76, 82, 89, 90
-----------------------------------	--------------------

Debits:

WPL 8. Appropriations of surplus to sinking and other reserve funds.....	65, 76, 109
WPL 9. Dividend appropriations of surplus.....	65
WPL 12. Debt discount extinguished through surplus.....	22
WPL 14. Real property and equipment debits.....	49
WPL 16. Miscellaneous debits.....	28, 66, 76, 79, 80, 83, 125

GENERAL BALANCE SHEET.

Assets:

Permanent and long-term investments—

Real property and equipment—

WB 1-B. Reserves for accrued depreciation—Cr.....	28, 46
---	--------

Other investments—

WB 6. Miscellaneous investments.....	71, 89
--------------------------------------	--------

Assets—Continued.

Working assets—		Casa.
WB 8. Cash		76
WB 9. Marketable securities		109
WB 15. Materials and supplies		48, 117
Deferred debit items—		
WB 24. Unamortized discount on capital stock	22, 125	
WB 27. Sinking fund assets	65, 70, 109, 118	
WB 28. Insurance and other reserve fund assets	68	
WB 31. Other deferred debit items	75, 125	

Liabilities:

Stock—		
WB 33. Capital stock	86	
Long-term debt—		
WB 36. Funded debt	42, 76, 109	
Working liabilities—		
WB 38. Loans and bills payable	42	
Accrued liabilities not due—		
WB 47. Unmatured dividends, interest, and rents payable	64	
Appropriated surplus—		
WB 54. Surplus invested in property since December 31, 1912 ...	76	
WB 56. Reserves from income or surplus	76	

REAL PROPERTY AND EQUIPMENT.**Floating equipment:**

WP 1. Line equipment	24, 27, 28, 34, 46, 54, 64, 114
WP 2. Harbor equipment	27, 28, 34, 54
WP 3. Miscellaneous floating equipment	27, 28, 54

Terminal property:

WP 6. Water front and terminal grounds	72
WP 9. Office equipment	70
WP 10. Shops, power plants, and miscellaneous structures ..	14

General expenditures:

WP 11. Miscellaneous	15, 26, 31, 64, 104
----------------------------	---------------------

INDEX BY TOPICS.

A.

	Case.
Accident incident to maintenance.....	92
Accounting department clerks, salaries of.....	20
for material and supplies.....	117
Accounts, renumbering.....	17
to be kept	62
written up monthly.....	1
Acid for ships' batteries.....	53
Additions and betterments, rent of land for.....	95
Adjusters of claims.....	37
Adjustment of depreciation.....	28, 84
material accounts	2, 7
reserve for loss and damage.....	13
Advances to subsidiary corporation.....	71
Advertising, expenses of automobile for.....	59
for another carrier, allowance per ticket for.....	115
in timetables.....	30
revenues from.....	30
Aliens, expenses of.....	120
Allowance per ticket for advertising for another carrier.....	115
Amortization of discount on notes.....	87
refunding bonds	74
serial bonds	101
Application of improved devices, cost of.....	10
to Commission re delayed items.....	121
Appraisals, cost of.....	125
Appropriations, sinking fund.....	118
Audit of books.....	19
Automobile for advertising, expenses of.....	59
Auxiliary operation, tugs operated as an.....	45
Averages, deductible, from insurance claims.....	50

B.

Baggage checks.....	57
Battery supplies for ships.....	53
Boat checks.....	56
Boilers, replacing.....	46
Bond, judicial, in damage suit.....	36
Bonded freight, fine for improper delivery of.....	80

	Case.
Bonds, expense incident to issue of.....	22
in special funds.....	63
issued and reacquired.....	109
or assumed, purchased, discount and premium on.....	76
maturing serially, discount on.....	101
purchased by sinking fund trustees.....	76
reacquired and canceled.....	76
redeeming, commissions allowed for.....	77
refunding, issued at discount.....	74
sinking fund contribution.....	76
validity of, expenses of examination of.....	22
Books, audit of.....	19
general, details required in.....	116
Brokers' fees and commissions.....	8
Buildings, depreciation of.....	107

C.

Canceled reacquired bonds.....	76
Capital stock, amounts paid trustees for registering and transferring.....	104
initial registration of.....	104
issued as a premium.....	86
Carbons for searchlights.....	53
Cargo losses, reserve for.....	111
Cash register on steamer.....	114
theft of.....	23
"Chautauqua" deficit, contribution toward.....	88
Checks, baggage.....	57
boat.....	56
Claims, investigation of.....	37
recording.....	37
Clerks, investigation of claims.....	37
recording claims.....	37
salaries of.....	20
Clocks, watchmen's, repairs to.....	32
Coal on board not consumed.....	48
Collision case, crew testifying in.....	47
Commission for purchasing securities.....	8
Commissions allowed sinking fund trustees.....	77
reports to.....	21
trustees'.....	19
witnesses testifying before.....	21
Compiling reports, expense of.....	21
Conscience money received, anonymous.....	90
Construction, improvements to park.....	18
injuries during.....	16
insurance during.....	26
interest chargeable to.....	64
material, insurance on.....	26
of sea wall.....	72
Contractor's penalty for delay.....	119

Contribution toward "Chautauqua" deficit.....	Case. 88
Counsel fees in merger.....	31
Coupons, interest on unpaid.....	96
Court costs in personal injury cases.....	100
Crew deposits uncalled for.....	29
hospital expenses for.....	39
testifying in collision case.....	47
Currency, premium paid for.....	81
Customs fines for improper delivery.....	80

D.

Damaged shipments, freight charges on.....	108
Deductible averages.....	50
Defective equipment, judgment and costs for.....	79
Deficit, "Chautauqua," contribution toward.....	88
Delayed items, accounting for.....	121
Delivery by team to connecting carrier.....	112
Deposit by member of crew uncalled for.....	29
Depreciation, adjustment of.....	28, 84
on buildings.....	107
fixtures.....	107
furniture.....	107
horses.....	107
motors.....	107
shop machinery.....	107
tools.....	107
transfer equipment.....	107
trucks.....	107
wagons.....	107
wharves.....	107
prior to July 1, 1912.....	28, 84
Dials, paper, for watchmen's clocks.....	32
Discount on bonds issued or assumed, purchased for sinking fund.....	76
material bills.....	6
notes.....	87
refunding bonds.....	74
securities maturing serially.....	101
Dumping privilege, receipts from.....	38

E.

Earth, receipts for privilege of dumping.....	38
Electric lamps for floating equipment, installation, repairs, and renewals of.....	54
Employees, accounting department, physical examination of.....	12
salaries of.....	20
transportation of.....	14
wages of, while injured.....	16
Equipment, defective, judgment and costs for.....	79
improved devices for.....	10
moving.....	60

	Case
Examination of titles of real estate.....	22
physical, of employees.....	12
passengers.....	12
Expenses and salaries of—	
president in charge of operating departments....	78
trustees	19
Expenses, delayed items of.....	121
of a joint ticket agency.....	94
passengers due to change in sailing date.....	124
Extraordinary losses, reserve for.....	111

F.

Fees, counsel, in merger.....	31
physicians'.....	12
trustees'.....	19
Fines imposed by Federal Government.....	80
Fire extinguishers, installation and repairs of.....	34
refilling.....	35
hose, installing.....	27
repairs of.....	27
lines, repairs of.....	58
Fixtures, depreciation on.....	107
Foreclosure, cost of.....	9
Forfeiture for delay in construction.....	119
Freight agent, general manager as.....	25
bonded, fine for improper delivery of.....	80
carrier's proportion of through charges on fuel.....	93
charges on damaged freight.....	108
lost freight.....	108
material sold.....	98
misrouted freight.....	108
refused freight.....	108
refunded.....	108
uncollected.....	108
revenue, charges to, for lost, misrouted, damaged, or refused ship- ments.....	108
shipments, charges on, when lost, misrouted, damaged, or refused..	108
undercharges, uncollectible.....	108
Fuel, carrier's proportion of through freight charges on.....	93
on board not consumed.....	48
Fund, special, bonds in.....	63
Furniture, depreciation on.....	107
moving.....	60
on floating equipment, repairs of.....	86

G.

General expenses account of strike.....	67
manager as passenger and freight agent.....	25
Gratuities paid employees.....	16

H.

	Case.
Horses, depreciation on.....	107
Hose, fire, installation and repairs of.....	27
Hospital expenses for crew.....	89

I.

Income, delayed items of.....	121
losses not chargeable to.....	111
on securities issued or assumed.....	65
Injuries to employees.....	16, 92
Injury, personal, cases, court costs in.....	100
Insurance claims, deductible averages in.....	50
during construction.....	26
on construction material.....	26
Interest accrued on bonds purchased.....	66
on bonds issued and reacquired.....	109
construction expenditures.....	64
deferred taxes.....	102
funds borrowed for construction.....	64
loss and damage claims.....	123
material bills.....	6
unpaid bond coupons.....	96
working funds used for construction.....	64
paid in advance.....	75
Interior telephones, installation and maintenance of.....	70
Interstate Commerce Commission, applications to, regarding delayed items.....	121
Inventories, cost of.....	125
Inventory adjustments.....	2

J.

Joint ticket agency, expenses of.....	94
---------------------------------------	----

K.

Kitchen utensils, repairs and renewals of.....	99
--	----

L.

Lamps for floating equipment, installation, repairs and renewals of.....	54
Land for additions and betterments projects, rent of.....	95
Lease, unexpired, amount received for surrender of.....	82
Legal expenses of merger.....	31
receivers.....	33
License to sell liquors.....	68
Lighterage revenues and expenses.....	126
Linen, repairs and renewals of.....	99
Longshoremen's strike, expenses of.....	67
Loss and damage claims, interest on.....	123
on obsolete material.....	3
steamer sold.....	49
Losses, extraordinary, reserve for.....	111
Lost shipments, freight charges on.....	108

M.

	Case
Maintenance of rented pier.....	44
Material accounts, adjustment of.....	2,7
and supplies, accounting for.....	117
Material, sold, freight on	98
construction, insurance on.....	26
discount on bills for.....	6
interest paid on bills for.....	6
obsolete, loss on.....	3
Meals furnished, profit from.....	103
Merger, legal expenses of.....	31
Misrouted shipments, freight charges on.....	108
Misrouting, refund account error in.....	69
Mooring, rent of pier for.....	85
Motors, depreciation on.....	107
Moving office equipment.....	60
furniture.....	60

N.

Notes, balance sheet account includible in.....	42
discount on.....	87

O.

Obsolete material, loss on.....	3
Office equipment, moving.....	60
Options on terminal sites.....	83
Organization expenses, cost of stock certificates.....	15
Overcharge, refund of, account error in misrouting.....	69
Overtime paid account strike.....	67

P.

Papers, legal, preparation of, for merger.....	31
Park, free, improvements of.....	18
maintenance of.....	18
operation of.....	18
Passenger agent, general manager as.....	25
Passengers, expenses of, due to change of sailing date.....	124
physical examination of.....	12
Penalties, contractors', for delay.....	119
Pensions	16
Percentages added to bills.....	5
price of material sold.....	73
Personal injury cases, court costs in.....	100
Physical examination of employees and passengers.....	12
Piers, maintenance of.....	44
rent of.....	44
repairs of, required by city.....	41
Pilotage	11
Port charges, pilotage.....	11
Ports of call, salaries of agents and clerks at.....	51
Power, electric, sold.....	97

	Case.
Premium on bonds, issued or assumed, purchased for sinking fund.....	76
purchased	66
judicial bond.....	36
paid for currency.....	81
President in charge of operating departments, salary, and expenses of....	78
Primary accounts, renumbering.....	17
Profit and loss, losses not chargeable to.....	111
from meals furnished.....	103
on material sold	73
Property acquired from lessee.....	9
examination of title of.....	22
options on.....	83
Punches, ticket.....	56

R.

Rail fares of passengers prevented from making return trip.....	43
Reacquired bonds, canceled.....	76
Real estate purchased in name of individuals.....	91
Receipts for dumping privilege.....	38
Receivers, allowances to.....	33
expenses of.....	33
legal service for.....	33
Records, detail information required in.....	116
Refilling fire extinguishers.....	85
Refund of overcharge due to misrouting error.....	69
Refunding bonds issued at discount.....	74
Refused shipments, freight charges on.....	108
Registration of capital stock, payments for.....	104
Relief department expenses.....	16
Removing old devices.....	10
Rent of land for addition and betterment purposes.....	95
held for construction.....	95
pier for mooring.....	85
piers	44
submarine signals	122
terminal	97
Repairs include cost of applying.....	10
removing	10
of electric lamps on floating equipment.....	54
fire lines	58
piers required by city.....	41
telephone system on vessels.....	61
trucks	52
Reporting steamers, payments for.....	105
Reports, expenses incident to.....	21
Repurchase of ship sold to satisfy collision claims.....	113
Reserve for extraordinary losses.....	111
loss and damage claims.....	13
Return trip prevented, passengers returned by rail.....	43
Revenue, delayed items.....	121
Rubber stamps.....	55

S.

	Case
Sailing date changed, expenses of passengers due to.....	124
Salaries of employees at ports of call.....	51
Salary of president in charge of operating department.....	78
Sale of material, percentage added to.....	73
steamer at a loss.....	49
Sea wall to protect property.....	72
Searchlights, carbons for.....	53
Securities, commissions part of cost of.....	8
issued or assumed, income on.....	65
maturing serially, discount on.....	101
purchased, accounting for, cost unknown.....	89
Service, loyal, payments for, during strike.....	4
Ship repurchased.....	113
Shop machinery, depreciation of.....	107
Signals, submarine, rent of.....	122
Silverware, repairs and renewals of.....	99
Sinking fund appropriation.....	118
bond purchases for.....	76, 109
contractual requirements.....	65, 109, 118
contributions.....	76, 118
income of.....	65, 76, 109
Stamps, rubber.....	55
Steamer sold at loss.....	49
Stock certificates, cost of.....	15
issuance of.....	15
issued gratuitously.....	86
purchased, accounting for, when cost unknown.....	89
Strike, longshoremen's, expenses of.....	67
payments for loyal service during.....	4
Submarine signals, rent of.....	122
Subsidiary corporation, advances to.....	71
Superintendence, percentage added to bills for.....	5
Supplies and materials, accounting for.....	117
Surplus, losses not chargeable to.....	111
Surrender of unexpired lease, amount recovered on.....	82

T.

Tableware, repairs and renewals of.....	99
Taxes, deferred, interest on.....	102
Team delivery to connecting carrier.....	112
Telephones, interior, for general offices.....	70
on vessels, repairs to.....	61
Terminal buildings, depreciation on.....	107
site, option on.....	83
rent of.....	97
Theft of purser's remittances.....	23
Ticket punches.....	56
Time-tables, advertising in, revenues from.....	30
Title to property, examination of.....	22

	Case.
Tools, depreciation on	107
percentage added to bills for.....	5
Towboats in terminal and other service.....	110
Traffic, free park to induce.....	18
Transfer equipment, depreciation on	107
of aliens, held for deportation.....	120
capital stocks, payments for.....	104
Transportation of employees.....	14
Treasury bonds	109
Trucks, depreciation on.....	107
repairs to	52
Trustees, commissions paid	19
expenses of	19
fees of	19
payments to, for registering and transferring stock.....	104
sinking fund, commissions allowed.....	77
Tube cleaners, investment in and repairs of.....	24
Tugs in auxiliary operations.....	45

W.

Wages, employees', while injured.....	16
Wagons, depreciation on	107
Warehouse, payments for use of.....	106
Watchmen's clocks, repairs of.....	32
Wharf, payments for use of.....	106
Wharves, depreciation on	107
Wireless telegraph apparatus, rent of.....	40
operators' wages	40
Witnesses, crew, in collision case.....	47
testifying before commissions.....	21

Accounting Bulletin No. 13

INTERPRETATIONS
OF
ACCOUNTING CLASSIFICATIONS
EMBODYED IN THE
UNIFORM SYSTEM OF ACCOUNTS
FOR
EXPRESS COMPANIES

PRESCRIBED BY THE
INTERSTATE COMMERCE COMMISSION

IN ACCORDANCE WITH SECTION 20 OF THE
ACT TO REGULATE COMMERCE

Effective on January 1, 1917

(Supersedes Accounting Bulletin No. 6)

WASHINGTON
GOVERNMENT PRINTING OFFICE
1917

THE INTERSTATE COMMERCE COMMISSION.

BALTHASAR H. MEYER.

JUDSON C. CLEMENTS.

EDGAR E. CLARK.

JAMES S. HARLAN.

CHARLES C. McCHORD.

HENRY C. HALL.

WINTHROP M. DANIELS.

GEORGE B. MCGINTY, *Secretary.*

ORDER.

At a General Session of the INTERSTATE COMMERCE COMMISSION, held at its office in Washington, D. C., on the 22d day of December, A. D. 1916.

The subject of a Uniform System of Accounts to be prescribed for and kept by carriers being under consideration, the following order was entered:

It is ordered, That the interpretations of the accounting classifications for express companies, prepared under the direction of this Commission and embodied in printed form to be hereafter known as Accounting Bulletin No. 13, a copy of which is now before this Commission, be, and the same is hereby, approved; that a copy thereof duly authenticated by the Secretary of the Commission be filed in its archives, and a second copy thereof, in like manner authenticated, in the office of the Division of Carriers' Accounts; and that each of said copies so authenticated and filed shall be deemed an original record thereof.

It is further ordered, That the accounting methods directed in the interpretations contained in the said Accounting Bulletin No. 13 be, and they are hereby, prescribed for the use of express companies subject to the provisions of the Act to Regulate Commerce, as amended, in the keeping and recording of their accounts.

It is further ordered, That January 1, 1917, be, and it is hereby, fixed as the date on which the said Accounting Bulletin No. 13 shall become effective.

By the Commission.

[SEAL.]

GEORGE B. McINTYRE,
Secretary.

**INTERSTATE COMMERCE COMMISSION,
DIVISION OF CARRIERS' ACCOUNTS,
*Washington, December 22, 1916.***

TO ACCOUNTING OFFICERS OF EXPRESS COMPANIES:

This accounting bulletin, which contains interpretations of the accounting classifications in connection with various questions, supersedes Accounting Bulletin No. 6, which became effective July 1, 1910. Its preparation and issue became necessary on account of the issuance of the revised accounting classifications which became effective July 1, 1914.

In tentative form, this bulletin was submitted to the railroad commissions of the several States and to the Committee on Corporate and Fiscal Accounts of the Association of Express Accountants. All suggestions received from such parties have been given careful consideration in the compilation of the bulletin as now issued.

**FRED W. SWENEY,
*Chief Examiner of Accounts.***

INTERSTATE COMMERCE COMMISSION ACCOUNTING BULLETIN NO. 13.

INTERPRETATIONS OF ACCOUNTING CLASSIFICATIONS—EXPRESS COMPANIES.

CASE 1.

Query. Is it necessary that all vouchers shall bear details on their faces?

Answer. Each voucher shall bear on its face sufficient information to show for what purpose payment was made, and data necessary to determine the validity of the transaction and correctness of the distribution of the charges. Where complete details can not be shown on the voucher owing to insufficient space, the voucher should be supported by detailed information, the location of which may be indicated by attachments or by reference on the face of the voucher.

CASE 2.

Query. To what account shall be charged repairs of rented buildings used by the accounting carrier?

Answer. The cost of repairs to rented buildings shall be charged to the same account to which the rent is charged, unless the repairs are made to fixtures and improvements the cost of which is included in the carrier's property account; in which event the cost of such repairs shall be charged to account No. 2, "Buildings and appurtenances—Repairs."

CASE 3.

Query. To what account shall be charged the cost of repairing inset floor scales?

Answer. To account No. 18, "Office furniture and equipment—Repairs" or account No. 24, "Stable and garage equipment—Repairs," as may be appropriate. The cost of restoring floors of buildings incidental to moving inset floor scales is an expense incidental to the scale and shall be charged to account No. 18 or No. 24. (See Case 48.)

CASE 4.

Query. A carrier contemplated the demolition of a building used in express operations and the erection of another on the site to be used for the same purpose as the building demolished. Architects' plans were drawn, but the project was abandoned without further action. To what account shall be charged the cost of drafting the plans?

Answer. To account No. 2, "Buildings and appurtenances—Repairs."

CASE 5.

Query. What should be the accounting for the cost of extensive repairs on second-hand equipment purchased necessary to bring it up to the standard required by the purchaser?

Answer. When second-hand equipment acquired is in such physical condition that it is necessary to make extensive repairs to bring it up to the standard

required by the carrier, the cost of such repairs shall be included in the account appropriate for the cost of the equipment. A comprehensive statement of the amount estimated to be necessary to rebuild second-hand equipment in accordance with the above provision shall be furnished to the Commission as soon as the estimate is made.

If such repairs are made after the equipment is placed in service, due allowance should be made for the proportion chargeable to operating expenses.

CASE 6.

Query. An agent of the company received a summons garnisheeing the wages of an employee. On account of delay incident to notifying the legal department the employee succeeded in drawing his pay, and the company was obliged to make good the amount of the claim. To what account shall the loss be charged?

Answer. The loss shall be charged to account No. 62, "Other expenses."

CASE 7.

Query. To what account shall be charged the expense of moving an employee from one location to another when transferred by the express company and the expense is assumed by it?

Answer. Charge the account to which would be charged traveling or other expenses of the employee in the new location.

CASE 8.

Query. How shall a carrier account for amounts allowed for loyal service of certain employees during a strike?

Answer. Such allowances shall be charged to the same accounts as the regular pay of the employees.

CASE 9.

Query. A branch agency which delivers packages called for by consignees, and receives packages to be forwarded by express, is allowed a uniform amount per package. To what account shall these allowances be charged?

Answer. To account No. 39, "Commissions."

CASE 10.

Query. To what account shall be credited the proceeds from the sale of ice, the cost of which has been charged to account No. 40, "Office supplies and expenses"?

Answer. Credits shall be made to account No. 40, "Office supplies and expenses." Net profits, if ascertained, shall be credited to revenue account No. 116, "Miscellaneous."

CASE 11.

Query. To what account shall be charged payments to a local delivery concern for conducting the pick-up and delivery service of the carrier, such remuneration being on the basis of pieces handled or trips made?

Answer. To account No. 45, "Drayage."

CASE 12.

Query. To what account shall be charged the cost of ice used for reicing goods at time of transfer from one depot to another or from one railroad to another while in transit?

Answer. To account No. 47, "Train supplies and expenses."

CASE 13.

Query. An office containing express freight awaiting local delivery is destroyed by fire. To what account shall be charged the uncollected tariff charges on goods originating on the line of another carrier?

Answer. The delivering carrier's proportion of the tariff charges shall be charged to revenue account No. 101, "Express—Domestic." The other carrier's proportion of the tariff charges shall be charged to account No. 49, "Loss and damage," to which latter account shall be credited insurance recovered.

CASE 14.

Query. A consignee failed to take a shipment out of bond, and it was therefore sold by customs officials, but the tariff charges were not realized. To what account shall the unrealized tariff charges be charged?

Answer. To account No. 49, "Loss and damage."

CASE 15.

Query. A shipment passed through customs with an excessive valuation, resulting in a high customs duty, on account of which consignee refused to accept delivery. The tariff charges and duty were uncollectible. To what account shall be charged the uncollectible tariff charges and duty?

Answer. The uncollectible tariff charges shall be charged to account No. 49, "Loss and damage." This being a refused shipment, the uncollectible duty shall be treated as part of the expense incurred in that connection and charged to account No. 49, "Loss and damage," to which account any salvage would be credited.

CASE 16.

Query. In what account shall be included the traveling expenses, rent, stationery and printing, and incidental office expenses of claim agents, clerks, and other employees (other than agency employees) exclusively engaged in recording, investigating, and adjusting claims for loss and damage, and the traveling expenses, rent, stationery and printing, and incidental office expenses of special officers, special agents, detectives, and other operatives employed by the carrier for the detection and apprehension of thieves, robbers, burglars, defaulters, absconders, and other criminals?

Answer. These expenses shall be charged to account No. 49, "Loss and damage."

CASE 17.

Query. To what accounts shall be charged plaintiff's court costs and also the carrier's own court costs in connection with personal injury cases, when such expenses are borne by the carrier?

Answer. The plaintiff's court costs shall be charged to account No. 51, "Injuries to persons." The carrier's court costs shall be charged to account No. 56, "Law expenses."

CASE 18.

Query. Offices containing local agency records of a carrier are destroyed by fire. After all the accounts have been audited and all debit and credit correction notices have been applied there remains on the agent's balance sheets in one instance an amount due the carrier for which the agent is al-

lowed relief; and in another instance an amount over. To what accounts shall such amounts be debited or credited?

Answer. The net amount shall be included in account No. 52, "Other expenses."

CASE 19.

Query. A railroad carrier entitled to the privilege of free transportation under contract with an express carrier tenders a shipment which is misrouted by the express carrier and thereby handled over another route to which the railroad carrier's privilege of free transportation does not extend. The express carrier was obliged to assume the charges via the route traveled. To what account shall such loss be charged?

Answer. To account No. 52, "Other expenses."

CASE 20.

Query. A shipment was handled by Road A from X to Z for Road B. Road B, however, has a line of its own from Y (intermediate junction point between Roads A and B) to Z and should have received the shipment at Junction Y, in which event the express company would have handled the shipment free from Y to Z under its contract with Road B.

The express company allows Road A its full through revenue for the actual haul from X to Z but collects from Road B only the proportion of the through rate accruing for the haul from X to Y.

To what account should the express company charge the amount represented by the proportion of the through rate accruing between Y and Z not collected from Road B?

Answer. To account No. 52, "Other expenses."

CASE 21.

Query. A claim is made for the value of money orders and travelers' cheques reported to be lost or stolen and refund is made to claimant. Later, the original paper reaches the express company, having been delayed in presentation but regularly cashed. It is then found impossible to enforce the indemnity bond given by the claimant. To what account shall be charged the payment to the claimant?

Answer. To account No. 52, "Other expenses."

CASE 22.

Query. The payment of an operating expense was made by an agent out of agency funds, and also by voucher draft issued by the disbursing office. To what account shall be charged the duplicate payment if unrecoverable?

Answer. The duplicate payment shall be charged to account No. 52, "Other expenses," if agent was at fault, or account No. 62, "Other expenses," if accounting department was at fault.

CASE 23.

Query. To what account shall be charged uncollectible items covering cost of feed for live stock in transit?

Answer. To account No. 47, "Train supplies and expenses."

CASE 24.

Query. To what account shall be charged amounts written off, representing prepaid tariff charges collected and lost by drivers?

Answer. To account No. 52, "Other expenses."

CASE 25.

Query. An express carrier has an express privilege contract with two railway carriers. In order to facilitate the movement of express cars between the lines of the two railway carriers, a crossover track was built. The cost of the crossover track was \$600, the express carrier's proportion being \$200, leaving \$200 each to be assumed by the respective railway carriers. No switching charges will be saved by this construction, but the facility will relieve the express carrier of the extra costs of transferring express matter from car to car. The ownership of the track remains with the railway carriers. To what account shall be charged the proportion of the cost assumed by the express carrier?

Answer. To account No. 52, "Other expenses."

CASE 26.

Query. When data are gathered for use in rate cases or for reports to or for use by public regulating bodies or tax authorities, in what account shall be included the cost of assembling and compiling done (a) by especially retained statisticians and accountants and (b) by the regularly retained accountants?

In what account shall be included the expense of presenting and elucidating such data as evidence in hearings before regulating bodies or tax authorities?

Answer. (a) In the operating expense account "Other expenses" appropriate to the department for which the service is rendered; (b) in the account to which the employees' labor and overtime is ordinarily chargeable.

The expense of presenting as testimony before regulating bodies or tax authorities the data referred to shall be charged to the accounts ordinarily chargeable with the pay and expenses of the employees whose duty it is to present testimony before such bodies.

CASE 27.

Query. To what account shall be charged the premium paid on a judicial bond necessary in connection with appeal of an injuries case?

Answer. To account No. 56, "Law expenses."

CASE 28.

Query. Is any accounting distinction to be made between monthly or other periodic payments to attorneys regularly retained by the company and those retained for specific services?

Answer. No. Both the periodic payments to attorneys regularly retained by the company and the payments to and the expenses of attorneys retained for specific services shall be charged to account No. 56, "Law expense."

CASE 29.

Query. To what account shall be charged allowances toward defraying funeral and undertaker's expenses of a former employee?

Answer. That part of such allowances provided for in the pension scheme of a carrier shall be charged to account No. 59, "Pensions." If a part of the

consideration is in settlement of an injury claim, such part shall be charged to account No. 51, "Injuries to persons." Other amounts, as for donations, etc., shall be charged to account "Other expenses," under maintenance, traffic, transportation, or general, as may be appropriate.

CASE 30.

Query. To what account shall be charged an employee's shortage in excess of the surety bond?

Answer. To account "Other expenses," under maintenance, traffic, transportation, or general, as may be appropriate.

CASE 31.

Query. To what account shall be charged the cost of a general audit of a company's books by an audit company?

Answer. To account No. 62, "Other expenses."

CASE 32.

Query. To what account shall be charged premiums paid to a surety company on bonds required by the Government in connection with the custody of bonded merchandise?

Answer. To account No. 62, "Other expenses."

CASE 33.

Query. When employees are called into the service of the Government as members of the National Guard, to what account shall be charged payments to them while absent from duty with the carrier, arrangements having been made to employ substitutes in their places and to allow the absent employees their regular compensation, or a portion thereof, according to circumstances?

Answer. The payments made to employees under such conditions shall be charged to account No. 62, "Other expenses."

CASE 34.

Query. A refund is made to the purchaser of a traveler's cheque in reimbursement of the amount charged by a foreign bank for cashing the cheque. To what account shall be charged the refund?

Answer. This amount is in the nature of an exchange fee on remittances, and shall be charged to account No. 62, "Other expenses."

CASE 35.

Query. To what account shall be charged amounts paid as rewards to employees and others for stopping runaway teams and apprehension of thieves or forgers?

Answer. These payments are in the nature of gratuities and shall be charged to account No. 62, "Other expenses."

CASE 36.

Query. To what account shall be charged donations toward the maintenance of a society for the prevention of cruelty to animals?

Answer. To account No. 62, "Other expenses."

CASE 37.

Query. What account shall be charged with expenses incurred because of a strike of vehicle employees?

Answer. There is no special account in which to include strike expenses. The wages of employees taking the place of strikers shall be charged to the same accounts to which would have been charged the wages of the employees on strike. The same disposition shall be made of overtime and extra pay of such employees.

Any unusual transportation expenses (not wages or overtime), such as police protection, shall be charged to account No. 52, "Other expenses."

Any general expenses incurred directly in connection with the strike and not otherwise provided for in the primary accounts shall be charged to account No. 62, "Other expenses."

CASE 38.

Query. To what account shall be charged (1) miscellaneous contributions, and (2) related expenses, such as decorating buildings or furnishing floats on holiday occasions?

Answer. (1) If contributions are made for the purpose of developing traffic, for example, expenses incurred in connection with an industrial exposition or other business occasion, charge account No. 34, "Advertising." If contributions are made without regard to traffic but incidentally for the benefit of the operations of the company, such as those to local fire departments, business leagues, Young Men's Christian Association, and similar institutions charge the appropriate expense account of the department concerned; or, if impossible of allocation, charge account No. 62, "Other expenses." (2) Expenditures such as those for decorating buildings and furnishing floats on holiday occasions, except when incurred for traffic purposes and, therefore, chargeable to account No. 34, "Advertising," shall be apportioned to the department concerned as far as possible. Items so general in character as not to admit of such apportionment shall be charged to account No. 62, "Other expenses."

CASE 39.

Query. To what account shall be charged interest and penalties on loss and damage claims and overcharge claims?

Answer. Interest and penalties on loss and damage claims shall be charged to account No. 49, "Loss and damage." Interest on overcharge claims shall be charged to account No. 324, "Interest on unfunded debt." Penalties on overcharge claims shall be charged to account No. 62, "Other expenses."

CASE 40.

Query. An express carrier has a contract for operating the express business over the lines of a certain railway carrier. Under an arrangement the express carrier is required to share the difference between the refrigeration charges collected on shipments moving over the lines of the railway carrier and the cost of ice actually furnished. The differences are prorated on the same basis as payments for express privileges, and the railway carrier is paid its percentage of the profit or is billed for its percentage of the loss.

(a) To what account shall be charged the percentage of the profit paid the

railway carrier; (b) to what account shall be credited the percentage of the loss billed on the railway carrier?

Answer. (a) To account No. 104, "Express privileges—Dr." (b) To account No. 104, "Express privileges—Dr."

CASE 41.

Query. In order to reach a certain city Carrier A and Carrier B, both carriers by express, have an agreement under which Carrier B handles the business between two given points, receiving an agreed percentage of revenues as compensation. The agreement is an ordinary "tonnage agreement," the payment being made to Carrier B for handling Carrier A's traffic over a line on which Carrier B has the contract. Shall the amount paid to Carrier B be charged to account No. 104, "Express privileges—Dr."?

Answer. The amount paid to Carrier B is not chargeable to account No. 104, "Express privileges—Dr.," but shall be charged to account No. 101, "Express—Domestic." The term "tonnage agreements," as used in the text of the credit and debit items under account No. 101, should not be construed as defining the basis on which payment is made, but as indicating a service usually paid for on that basis.

CASE 42.

Query. The express business over a certain railway line is conducted for the railway company by an express company. After deducting from the gross receipts from operation the expenses of operating and the agreed percentage allowed to it as compensation, the express company turns the remainder of receipts over to the railway company. How shall this transaction be handled in the express company's accounts?

Answer. The gross revenues and expenses shall be included in the accounts of the express company. The amount turned over to the railway company shall be charged by the express company to account No. 104, "Express privileges—Dr."

CASE 43.

Query. A shipment to a point in the city within the free-delivery limits of a carrier was diverted to another carrier to complete vehicle delivery. To what account shall be charged the tariff charges of the delivering carrier?

Answer. To account No. 101, "Express—Domestic."

CASE 44.

Query. A shipment too large to be handled in express cars was forwarded by an express carrier over a boat line with which the express carrier has no express-privilege contract. To what account shall be charged the amount paid the boat line?

Answer. To account No. 101, "Express—Domestic."

CASE 45.

Query. To what account shall be credited amounts received from the sale of waste paper and old records?

Answer. To account No. 116, "Miscellaneous."

CASE 46.

Query. To what account shall be credited the amounts of charges assessed for the detention of refrigerator cars?

Answer. To account No. 116, "Miscellaneous."

CASE 47.

Query. To what account shall be charged interest paid on deferred taxes?

Answer. To account No. 324, "Interest on unfunded debt."

CASE 48.

Query. To what account shall be charged the cost of inset floor scales?

Answer. To account No. 210, "Office furniture and equipment," or account No. 213, "Stable equipment," as may be appropriate.

The cost of structural changes in buildings incident to the installation of inset floor scales shall be charged to account No. 210 or No. 213. (See Case 3.)

CASE 49.

Query. Through error a duplicate refund was made of an overcharge for transportation service, and the amount was determined to be irrecoverable. To what account shall be charged the duplicate refund?

Answer. The amount of the duplicate refund, when discovered, shall be credited to the account previously charged, and when found to be irrecoverable shall be charged to account No. 316, "Uncollectible revenue from transportation." This case shall not be construed to relieve the carrier from its responsibility for collecting and retaining the lawfully established charges.

CASE 50.

Query. What shall be the accounting for discounts realized through prompt payment and interest payable incurred through delayed payment of bills for materials and supplies?

Answer. Materials and supplies shall be charged to the accounts at their actual cost in cash, or its equivalent, to the accounting company.

Discounts realized for the prompt payment of bills shall, as far as possible, be applied as credits to the particular bills or invoices involved.

Discounts realized which can not be credited to the particular bills or invoices involved shall be credited to clearing account "Supply expenses." (See sec. 9, p. 15, of the Uniform System of Accounts.)

Interest on delayed payments shall be charged to account No. 324, "Interest on unfunded debt."

CASE 51.

Query. It has been the practice of an express company to carry as a liability the total amount of unclaimed money, the larger proportion of which is for C. O. D.'s which could not be identified, for which undoubtedly claims have been paid, the balance being carried forward from year to year, no adjustment being made to reduce the amount outstanding. Is it permissible to adjust this unclaimed money account by crediting profit and loss with this amount, which represents accumulations of unclaimed money balances during the period from July 1, 1907, to July 1, 1914?

Answer. Since July 1, 1914, it has been required that amounts of cash in unclaimed packages and amounts represented by undelivered C. O. D. checks should be credited to account No. 49, "Loss and damage," in accordance with the text of that account. The propriety of including delayed income items in profit and loss account No. 404, "Delayed income credits," or account No. 416, "Delayed income debits," can be determined only on presentation of full particulars to the Commission, whose approval must be obtained before such adjustments can be made.

CASE 52.

Query. This company is carrying as a liability a balance, representing over-accrued taxes during the period extending from July 1, 1908, to June 30, 1913, due to changes in method of taxation, etc., not thoroughly understood at the time. To what account should be credited this balance of overestimated tax liability?

Answer. Overestimated tax accruals determined during the fiscal year shall be adjusted through the proper tax account. The propriety of including delayed income items in profit and loss account No. 404, "Delayed income credits," or account No. 416, "Delayed income debits," can be determined only on presentation of full particulars to the Commission, whose approval must be obtained before such adjustments can be made.

CASE 53.

Query. To what account shall be credited the amount of C. O. D. revenue overcharges when found to be unrefundable?

Answer. To account No. 405, "Unrefundable overcharges."

CASE 54.

Query. This company is carrying as a liability a balance of unrefundable overcharges on shipments made prior to July 1, 1914. To what account should be credited this balance representing revenue overcharges?

Answer. The amount shall be credited to account No. 405, "Unrefundable overcharges." Since July 1, 1914, it has been required that this account shall include the amount of the revenue overcharges found to be unrefundable during the current fiscal year.

CASE 55.

Query. To what account shall be credited items comprising overcollections made by the carrier on amounts due to shippers for C. O. D. shipments?

Answer. To account No. 406, "Miscellaneous profit and loss credits."

CASE 56.

Query. To what account shall be credited the amount received by a carrier for the surrender of an unexpired lease for offices occupied by it?

Answer. It shall be credited to account No. 406, "Miscellaneous profit and loss credits."

CASE 57.

Query. County scrip which will be accepted at face value in payment of taxes is purchased at a discount. How shall it be carried in the balance sheet, and in what accounts shall the profit be included when the scrip is used?

Answer. The scrip shall be carried at cost. When it is used in the payment of taxes the profit shall be credited to account No. 406, "Miscellaneous profit and loss credits."

CASE 58.

Query. This company is carrying as a liability a balance representing unclaimed wages due on pay rolls, covering a period from January 1, 1906, to June 30, 1913. To what account should be credited this balance?

Answer. If the company chooses to close the liability account for unclaimed wages, the balance shall be credited to account No. 406, "Miscellaneous profit and loss credits."

CASE 59.

Query. To what account shall be credited amounts received from anonymous sources and ordinarily designated as "conscience money"?

Answer. Unless the remittances indicate that the payments are assignable to the revenue, expense, or income accounts, such payments shall be credited to account No. 406, "Miscellaneous profit and loss credits."

CASE 60.

Query. How may a carrier make adjustment of the differences, due to insufficient charges for depreciation, between the value of buildings and fixtures used in operation as carried in its property account and the actual value of the buildings and fixtures as ascertained by an appraisal?

Answer. If a carrier's accounts prior to July 1, 1914, the effective date of the depreciation account in the Uniform System of Accounts, show insufficient charges for depreciation on buildings and fixtures used in operation, and a carrier elects to make an adjustment so that the property account "Buildings" shall in fact reflect the cost of buildings and fixtures used in operation, and the depreciation accounts reflect the full amount of depreciation accrued on such property from the beginning of its life, such adjustment for depreciation prior to July 1, 1914, shall be made through Profit and Loss.

Advice as to the proper disposition of differences due to insufficient charges for depreciation after July 1, 1914, will be given by the Commission upon receipt of particulars of such discrepancies.

CASE 61.

Query. To what account shall be charged penalties paid to public authorities for violation of the 28-hour stock law?

Answer. They shall be charged to account No. 417, "Miscellaneous profit and loss debits."

CASE 62.

Query. What account shall be charged with United States Government fines imposed by the collector of customs for the delivery of goods in bond directly to the consignee, instead of to the collector of the port?

Answer. They shall be charged to account No. 417, "Miscellaneous profit and loss debits."

CASE 63.

Query. To what account shall be charged the amount of a judgment, including court costs, in an action of the United States against a carrier on account of defective appliances on cars?

Answer. It shall be charged to account No. 417, "Miscellaneous profit and loss debits."

CASE 64.

Query. May the adjustment of material accounts to the basis of inventories be deferred to a period subsequent to the year in which the inventories are taken?

Answer. Such adjustments shall be made in the accounts of the year in which the inventories are taken.

CASE 65.

Query. In adjusting material accounts to the basis of inventory, what account or accounts shall be credited or debited?

Answer. Determined differences in accounting for important classes of materials are ordinarily assignable to discrepancies in charges to particular accounts since the last inventory and shall be adjusted accordingly. Other differences shall be apportioned among the primary expense accounts on the basis of the material charges to them since the last inventory.

CASE 66.

Query. What shall be the accounting for the expense of repairs to used office furniture and fixtures carried in the material and supplies accounts?

Answer. When used furniture and fixtures have been charged to the material and supplies account at depreciated value, the cost of the repairs shall be charged to account No. 512, "Material and supplies."

CASE 67.

Query. What shall be the accounting for commissions paid to brokers for the purchase of the securities of other companies?

Answer. The amount of such commissions shall be considered as a part of the cost of the securities purchased.

INDEX BY ACCOUNTS.

OPERATING EXPENSES.

	Case.
1. Superintendence—Maintenance.....	7, 8, 26, 37
2. Buildings and appurtenances—Repairs.....	2, 4
5. Cars—Repairs	5
10. Automobiles—Repairs.....	5
13. Wagons and sleighs—Repairs.....	5
16. Harness equipment—Repairs.....	5
18. Office furniture and equipment—Repairs.....	3, 5
20. Office safes—Repairs.....	5
22. Trucks—Repairs	5
24. Stable and garage equipment—Repairs.....	3, 5
26. Line equipment—Repairs.....	5
28. Shop equipment—Repairs.....	5
30. Miscellaneous equipment—Repairs.....	5
32. Other expenses	4, 29, 30
33. Superintendence—Traffic	7, 8, 26, 37
34. Advertising.....	38
36. Other expenses.....	29, 30, 31
37. Superintendence—Maintenance.....	7, 8, 26, 37
38. Office employees	7, 8, 26, 37
39. Commissions.....	9
40. Office supplies and expenses.....	10, 38
42. Vehicle employees.....	7, 8, 26, 37
43. Stable and garage employees.....	7, 8, 26, 37, 38
44. Stable and garage supplies and expenses.....	38
45. Drayage	11
46. Train employees	7, 8, 26, 37
47. Train supplies and expenses.....	12, 23, 38
48. Stationery and printing.....	16
49. Loss and damage.....	13, 14, 15, 16, 39, 51
51. Injuries to persons.....	17, 29
52. Other expenses.....	18, 19, 20, 21, 22, 24, 25, 29, 30, 37
53. Salaries and expenses of general officers.....	7, 8, 26, 37, 39
54. Salaries and expenses of clerks and attendants.....	7, 8, 26, 37, 39
55. General office supplies and expenses.....	37
56. Law expenses.....	17, 26, 27, 28
59. Pensions.....	29
62. Other expenses.....	6, 22, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39

OPERATING REVENUES.

101 Express—Domestic.....	13, 41, 42, 43, 44, 48
104. Express privileges—Dr.....	40, 41, 42, 48
116. Miscellaneous.....	10, 45, 46

REAL PROPERTY AND EQUIPMENT.

	Case.
202. Buildings and appurtenances on land owned.....	60
203. Buildings and appurtenances on land not owned.....	60
210. Office furniture and equipment.....	47
213. Stable equipment	47

INCOME ACCOUNTS.

316. Uncollectible revenue from transportation.....	49
324. Interest on unfunded debt.....	39, 47, 50

PROFIT AND LOSS ACCOUNTS.

404. Delayed income credits.....	51, 52
405. Unrefundable overcharges.....	53, 54
406. Miscellaneous profit and loss credits.....	55, 56, 57, 58, 59
417. Miscellaneous profit and loss debits.....	60, 62, 63

GENERAL BALANCE SHEET.

512. Material and supplies.....	50, 66
---------------------------------	--------

INDEX BY TOPICS.

A.

	Case.
Accounts, adjustments of, to inventory basis.....	64
Adjusters of claims, traveling expenses, rent, stationery and printing, and incidental office expenses of.....	16
Adjustment of unclaimed money account	51
of material accounts.....	64
Advertising, expense for developing traffic.....	38
Agency balances unadjustable, after accounts have been audited.....	18
Agreement covering traffic handled, payments made.....	41
Allowances for loyal service during strike.....	8
to branch agency for packages called for and forwarded.....	9
toward defraying burial expenses of former employees.....	29
Amounts written off, representing prepaid tariff charges.....	24
Anonymous remittances to conscience fund.....	59
Attorneys continuously and occasionally retained.....	28
Audit of a company's books by an audit company.....	81

B.

Balance representing overaccrued taxes, credited to.....	52
representing unrefundable overcharges.....	54
representing unclaimed wages due on pay rolls.....	58
Bills for materials and supplies, interest and discount on.....	50
Boat line, amount paid to, for shipment forwarded over.....	44
Bonded freight, fines, for improper delivery of.....	62
Books of a company audited by an audit company.....	31
Brokers' commissions for purchasing securities of others.....	67
Buildings rented, repairs to	2
contemplated demolition of, and erection of another on site....	4
expense of decorating.....	38
insufficient charges for depreciation.....	60
cost of structural changes incident to installation of inset floor scales.....	48
Burial expenses, allowances toward defraying.....	29
Business leagues, contributions to.....	38

C.

Cars, appliances of, defective, judgment against carrier for.....	63
detention of, charge assessed for.....	46
Cash from anonymous donors of conscience money.....	59

	Case.
Claim agents, traveling expenses, rent, stationery and printing, and incidental office expenses of.....	16
Claims due to carrier's delay after garnishment summons.....	6
for lost money orders and travelers' cheques, duplicate payments of.....	21
traveling expenses of claims force.....	16
unpaid by carrier, interest and penalties on.....	39
Clerks for claims matters, traveling expenses, rent, stationery and printing, and incidental office expenses.....	16
C. O. D. money, unclaimed, credited to profit and loss.....	51
revenue overcharges unrefundable, credit to.....	53
overcollections unrefundable	53
Commissions, branch agencies, packages called for and forwarded.....	9
to brokers for purchase of securities of others.....	67
Commissions, public service, reports to.....	28
Conscience money, receipts from anonymous donors of.....	59
Contributions by carrier for developing traffic.....	38
Costs in connection with personal-injury cases.....	17
Cost of extensive repairs on second-hand equipment purchased.....	5
County scrip purchased and used in tax payments.....	57
Court costs in personal-injury cases.....	17
costs in prosecution for defective appliances on cars.....	63
Cross-over track, part of cost assumed by express carrier.....	25
Customs duty, uncollectible on shipments with excessive valuation.....	15
fines for improper delivery.....	62

D.

Decorating buildings, expenses of.....	38
Defective appliances on car, judgment against carrier for.....	63
Delivery of bonded freight, customs fines for improper.....	62
of packages at branch agency, allowances for.....	9
payments to a local delivery concern.....	11
shipments diverted to another carrier to complete.....	43
Depreciation of buildings, insufficient charges for, adjustments for.....	60
Detective service, rewards for apprehension of thieves or forgers.....	35
Detectives engaged for detection and apprehension of criminals, incidental office expenses of.....	16
engaged for detection and apprehension of criminals, rent expense of.....	16
engaged for detection and apprehension of criminals, stationery and printing expense of.....	16
engaged for detention and apprehension of criminals, traveling expenses of.....	16
Detention of refrigeration cars, charges assessed for.....	46
Difference between refrigeration charges collected and cost of ice actually used, charged to.....	40
Discount on county scrip purchased, profits derived from.....	57
Discounts realized on bills for materials and supplies purchased, credits for	51
Donations for prevention of cruelty to animals.....	36
for benefit of operation.....	38

	Case.
Drafting of architects' plans.....	4
Drayage payments to a local delivery concern.....	11
Drivers, prepaid tariff charges collected and lost by.....	24
Duplicate payments of money orders and travelers' cheques.....	21
payments of operating expenses.....	22
refund of overcharge through error.....	49

E.

Employees, expenses incurred because of a strike of.....	37
error of, duplication of overcharge refund due to.....	49
rewards to	35
shortage of, in excess of survey bond.....	30
wages of, taking the place of strikers.....	37
Equipment, repairs of secondhand, purchased.....	5
Error of clerk, overcharge refund duplication due to.....	49
Exchange fee refunded to purchaser of a traveler's cheque.....	34
Expense of moving an employee from one location to another.....	7
Express privileges, amounts turned over to a railway company for oper- ating express business.....	42
refrigeration charges, percentage of profit or loss charged to	40

F.

Feed for live stock in transit, uncollectible items covering cost of.....	23
Fire departments, contributions to.....	38
Fire, uncollected tariff charges on goods destroyed by.....	13
Floats on holiday occasions, expense of furnishing.....	38
Floor scales, inset, cost of, chargeable to.....	48
Freight delivery in violation of customs regulations, fines for.....	62
Furniture repairs carried in material and supplies.....	66

G.

Garnishment, claim incurred through delay of notice of.....	6
Government fines imposed for improper delivery of bonded freight.....	62
judgment obtained for defective appliances on cars.....	63
pay of employees when called into the service of.....	33
reports to.....	26

I.

Ice, net profits if ascertained, credit to.....	10
proceeds from sale of.....	10
used for re-icing goods while in transit.....	12
Incidental office expenses of claims force.....	16
Injuries to persons, court costs incident to, when borne by carrier.....	17
to former employees, allowances toward defraying funeral expenses	29
Interest on bills for materials and supplies, income debits for payment of.....	50
on deferred taxes.....	47
on loss and damage and overcharge claims, expense debits for.....	39

	Case.
Interstate Commerce Commission, reports to.....	26
Inventory basis, adjustment of material accounts to.....	65

J.

Judgment incurred in Federal action for defective appliances.....	63
Judicial bond, premium paid on.....	27

L.

Law expenses for court costs in injury cases.....	17
expenses of attorneys continuously and occasionally retained.....	28
expense of bond in appeal of an injuries case.....	27
requirements as to live stock, expense due to.....	61
Leased offices surrendered by lessee, consideration received for.....	56
Lease unexpired, amount received for surrender of.....	56
Lessee accounting for consideration received for office lease.....	56
Live stock, 28-hour law for, penalties for violation of.....	61
uncollectible items covering cost of feed while in transit.....	23
Loss of charges on misrouted shipments.....	19
Loss and damage claims, interest and penalties payable on.....	39
claims force engaged on, rent of.....	16
claims force engaged on, stationery and printing ex-	
penses of	16
claims force engaged on, traveling expenses of.....	16
claims force engaged on, incidental office expenses of..	16
uncollected tariff charges on refused shipments of	
freight.....	15
tariff charges on undelivered goods in bond.....	14
tariff charges on goods destroyed by fire.....	13
Loss by failure to comply with garnishment requirements.....	6
Lost by drivers, prepaid tariff charges collected by.....	24

M.

Material accounting adjustment to basis of inventory.....	65
bills, interest and discount on.....	50
Misrouted shipments, express carrier assumes charges via route traveled..	19
Money orders, duplicate payments of.....	21

N.

National Guard, payments to employees called into the service of the	
Government	33

O.

Office furniture and fixtures used. repairs to.....	66
Office lease of, consideration received for surrender of.....	56
Overcharges, C. O. D. revenue unrefundable.....	53
freight revenue, unrefundable.....	54
refunds of, duplicate payments of, when irrecoverable.....	40
interest and penalties on.....	39
Old records, amounts received from sale of, credited to.....	45
Operating expenses, duplicate payments of.....	22
Overcollections on C. O. D. shipments.....	55

P.

	Case.
Pay of attorneys continuously and occasionally retained.....	28
of employees called into the service of the Government.....	33
of employees for loyal service during strike.....	8
Payments to a local delivery concern.....	11
Penalties for improper delivery of bonded freight.....	62
for nonpayment of freight claims.....	39
for violation of 28-hour stock law.....	61
Plans, drafting by architects.....	4
Police protection, expense of.....	37
Prepaid tariff charges collected and lost by drivers.....	24
Premiums paid on bonds required by the Government.....	32
Proceeds from the sale of ice, credit to.....	10
Profits from purchase of county scrip to be tendered for taxes.....	57
Purchase of securities of other companies, brokers' commissions for.....	67

R.

Refrigeration charges, loss billed on the railway carrier credited to.....	40
profit paid the railway carrier charged to.....	40
Refund of fee charged by a foreign bank for cashing a check.....	34
of overcharges paid in duplicate and irrecoverable.....	49
Re-icing goods while in transit, ice used for.....	12
Rented buildings, repairs to.....	2
Rent expense of claims force engaged on loss and damage.....	16
Repairs of rented buildings.....	2
of inset floor scales.....	3
of secondhand equipment purchased.....	5
cost of structural changes in buildings.....	48
of used office furniture and fixtures carried in material and supplies.....	66
Reports to governmental bodies.....	26
Rewards to employees and others.....	35

S.

Scales, cost of inset in floors.....	48
inset in floors, repairs to.....	3
Scrip, county, purchased for use in tax payments.....	57
Securities, commissions paid for purchase of.....	67
Shipment passing through customs refused account of excessive valuation.....	15
in bond, sold by customs officials, tariff charges unrealized.....	14
for a certain carrier, carried over another road, proportion of charges uncollectible.....	20
Shortage of employees in excess of surety bond.....	30
Special agents, engaged for detection and apprehension of criminals, traveling expenses of.....	16
engaged for detection and apprehension of criminals, rent expense of.....	16
engaged for detection and apprehension of criminals, incidental office expenses of.....	16
engaged for detection and apprehension of criminals, stationery and printing expenses of.....	16

	Case
Special officers, engaged for detection and apprehension of criminals, traveling expenses of.....	16
engaged for detection and apprehension of criminals, stationery and printing expenses of.....	16
engaged for detection and apprehension of criminals, rent expense of.....	16
engaged for detection and apprehension of criminals, office expenses of	16
Stationery and printing expenses of claims force.....	16
Strike, payment to employees for loyal service during.....	8
of vehicle employees, expenses incurred because of.....	37
Structural changes incident to installation of inset floor scales.....	48
Suit on account of defective appliances on cars, judgment and costs in...	63
Supplies bills, interest and discount on.....	50
Surety bond, employee's shortage in excess of.....	30
company, premiums paid to.....	32
premiums paid on bond in connection with injuries case.....	27
Surrender of office lease, consideration received for.....	56

T.

Tariff charges on shipments diverted to another carrier to complete delivery	43
Taxes overaccrued, credited to profit and loss.....	52
paid with county scrip, profit in connection with.....	57
Tonnage agreements, not construed as basis on which payment is made...	41
agreement, payment made for handling traffic.....	41
Traffic, contributions for developing.....	38
Transfer of employees from one location to another, expense of.....	7
from one depot to another, re-icing goods at time of.....	12
Transportation of shipments over boat lines with no express privilege contracts.....	44
costs of moving employees from one location to another...	7
Travelers' cheques, duplicate payments of.....	21
Traveling expenses of employees moving from one location to another...	7
expenses of claims force.....	16

U.

Unadjustable agency balances, after accounts have been audited.....	18
Unclaimed money, carried as a liability, adjustment of.....	51
wages due on pay rolls, credited to.....	58
Uncollectible customs duty on shipments with excessive valuation.....	15
items covering cost of feed for live stock in transit.....	23
revenues, tariff charges on goods destroyed by fire.....	13
revenues, tariff charges on undelivered goods in bond.....	14
revenues, tariff charges on refused shipments of freight....	15
revenues, proportion accrued on road for shipment of an- other road.....	20
revenues, duplicate overcharge refund assignable to.....	49

	Case.
Unrecoverable duplicate payments of operating expenses -----	22
Unrefundable overcharges of C. O. D. revenue -----	53
overcharges of freight revenue -----	54
overcollections on C. O. D. shipments -----	53

V.

Vouchers, to show sufficient information -----	1
---	----------

W.

Wages unclaimed, due on pay rolls, credited to -----	58
Waste paper, amounts received from sale of, credited to -----	45

Y.

Y. M. C. A., contributions to -----	38
--	-----------



Accounting Bulletin No. 14

INTERPRETATIONS
OF
ACCOUNTING CLASSIFICATIONS
EMBODIED IN THE
UNIFORM SYSTEM OF ACCOUNTS
FOR
ELECTRIC RAILWAYS
PRESCRIBED BY THE
INTERSTATE COMMERCE COMMISSION

**IN ACCORDANCE WITH SECTION 20 OF THE
ACT TO REGULATE COMMERCE**

Effective on May 1, 1917

(Supersedes Accounting Bulletin No. 9)

WASHINGTON
GOVERNMENT PRINTING OFFICE
1917

ADDITIONAL COPIES
OF THE PUBLICATION MAY BE PROCURED FROM
THE SUPERINTENDENT OF DOCUMENTS
GOVERNMENT PRINTING OFFICE
WASHINGTON, D. C.
AT
15 CENTS PER COPY



ORDER.

At a General Session of the INTERSTATE COMMERCE COMMISSION, held at its office in Washington, D. C., on the 2nd day of April, A. D. 1917.

The subject of a Uniform System of Accounts to be prescribed for and kept by carriers being under consideration, the following order was entered:

It is ordered, That the interpretations of the accounting classifications contained in the Uniform System of Accounts for Electric Railways, prepared under the direction of this Commission and embodied in printed form to be hereafter known as Accounting Bulletin No. 14, a copy of which is now before this Commission, be, and the same is hereby, approved; that a copy thereof duly authenticated by the Secretary of the Commission be filed in its archives, and a second copy thereof, in like manner authenticated, in the office of the Division of Carriers' Accounts; and that each of said copies so authenticated and filed shall be deemed an original record thereof.

It is further ordered, That the accounting methods directed in the interpretations contained in the said Accounting Bulletin No. 14 be, and they are hereby, prescribed for the use of electric railways subject to the provisions of the act to regulate commerce, as amended, in the keeping and recording of their accounts.

It is further ordered, That May 1, 1917, be, and it is hereby, fixed as the date on which the said Accounting Bulletin No. 14 shall become effective.

By the Commission.

[SEAL.]

GEORGE B. MCGINTY,
Secretary.

INTRODUCTORY LETTER.

**INTERSTATE COMMERCE COMMISSION,
DIVISION OF CARRIERS' ACCOUNTS,
Washington, April 8, 1917.**

TO ACCOUNTING OFFICERS OF ELECTRIC RAILWAYS:

This accounting bulletin contains the interpretations of the classifications embodied in the Uniform System of Accounts for Electric Railways as they appeared in Accounting Bulletin No. 9, effective July 1, 1915, together with the interpretations which have been made since that date. It seems desirable to bring the latter-mentioned interpretations to the attention of accounting officers, and, for convenience, all interpretations made to date are included in this bulletin, which now supersedes Bulletin No. 9.

In the preparation of this bulletin, the Commission has had the cooperation of the Committee on a Standard Classification of Accounts of the American Electric Railway Accountants' Association.

**FRED W. SWENEY,
Chief Examiner of Accounts.**

INTERSTATE COMMERCE COMMISSION ACCOUNTING BULLETIN NO. 14.

QUESTIONS AND ANSWERS.

CASE 1.

Query. Is it permissible for electric railways to renumber the primary accounts of the various classifications for their own convenience, provided the Interstate Commerce Commission numbers are maintained for proper reference and report?

Answer. It is permissible for electric railways to renumber the primary accounts of the various classifications for their own convenience. For the sake of uniformity, however, it is recommended that the account numbers of the classifications be used. It is suggested that companies of Class B and Class C, in numbering their operating expense accounts, combine the numbers used in the text of the classification of operating expenses; for example, the text for the account "Maintenance of track and roadway" for companies of Class B is covered by accounts Nos. 2 to 12, inclusive, and the suggested number would be 2/12; the text for account "Maintenance of way" for companies of Class C is covered by accounts Nos. 2 to 19, inclusive, and the suggested number would be 2/19.

CASE 2.

Query. Is it proper to charge assessments for construction and maintenance of paving to income account No. 215, "Taxes assignable to railway operations"?

Answer. No. Account No. 511, "Paving," in the classification for road and equipment accounts provides for the cost of paving incident to original track construction, while account No. 10, "Paving," in the classification of operating expenses provides for repairs of such paving. (See Cases 85 and 161.)

CASE 3.

Query. Are carriers required to keep subaccounts for paragraphs (a) to (f) under account No. 22, "Distribution system," of the classification of operating expenses; or will it be satisfactory to show the cost in total under this account?

Answer. The Commission does not require the subdivision of account No. 22, "Distribution system," but any carrier desiring to do so may make subdivisions, and keep corresponding subprimary accounts, provided they do not impair the integrity of the account prescribed.

CASE 4.

Query. To what account should an electric railway charge the wages of employees, and the cost of repairs, fuel, water, lubricants, and waste, incident to the operation of a steam locomotive and of gasoline and steam motor cars used regularly as rail equipment?

Answer. If the equipment is used in revenue service, the wages of employees shall be charged to operating expense account No. 75, "Operation of steam locomotives."

The cost of repairs to the steam locomotive and to the locomotive features of gasoline and steam motor cars shall be charged to account No. 34, "Locomotives," and the cost of repairs to the car features of the motor cars shall be charged to account No. 30, "Passenger and combination cars," or account No. 31, "Freight, express, and mail cars," as may be appropriate.

The cost of fuel, water, lubricants, and waste shall be charged to account No. 75, "Operation of steam locomotives."

If the steam locomotive and the motor cars are used in nonrevenue service, the expenses shall be accounted for in the same manner as those for service cars. (See Case 182.)

CASE 5.

Query. Should motors for air governors and pumps on cars be regarded as part of the electrical equipment, and the cost of repairs thereof be charged to account No. 38, "Electric equipment of cars"?

Answer. No. The electric equipment of cars includes the electric motive equipment and wiring. The term "car" includes the car body and trucks, electric bells and wiring, electric heaters and wiring, electric lights and wiring, and air-brake equipment and wiring. Repairs to motors for air governors and pumps on cars shall, therefore, be charged to operating expense account No. 30, "Passenger and combination cars"; No. 31, "Freight, express, and mail cars"; No. 32, "Service equipment"; or No. 34, "Locomotives."

CASE 6.

Query. Are electric railways at liberty to open clearing accounts for store expenses and apportion them on a basis of material issues? If so, should only the amounts chargeable to Operating Expenses be charged to account No. 95, "Store expenses," and so reported to the Commission; or should this account also include expenses incurred in connection with material issued for construction and betterments?

Answer. Electric railways are at liberty to open clearing accounts for store expenses and apportion the amounts charged thereto. The total amount chargeable to Operating Expenses shall be charged to account No. 95, "Store expenses." Account No. 95 should not include expenses incurred primarily in connection with material issued for construction or for additions and betterments.

Carriers are at liberty to distribute for their own purposes items covered by this account to other operating expense accounts affected, but in their reports to the Commission the entire amount of store expenses chargeable to Operating Expenses shall be reported under account No. 95. (See Case 354.)

CASE 7.

Query. Please explain the various accounts "Other operations—Dr." and "Cr.," contained in the classification of operating expenses.

In connection with these accounts, it is understood that account No. 58, "Power purchased," shall show the total amount expended for this purpose, and that the amounts used for lighting shops, carhouses, etc., may be charged to the accounts affected and offsetting credits made to account No. 61, "Power transferred—Credit." Is this correct?

Answer. The accounts "Other operations—Dr." and "Other operations—Cr." are to be used by electric railways which engage in other lines of business, such as the production of power and light for sale. The proportion of operating expense chargeable to the light or other departments shall be credited to the various accounts "Other operations—Cr."

The cost of producing power, irrespective of the manner in which it is used, shall be included in the primary accounts of the railway department. Account No. 59, "Power purchased," covers the cost of power purchased from other companies.

Account No. 61, "Power transferred—Credit," the use of which is optional, may be credited with that proportion of the total of the accounts under the general account Power which the power used for lighting, heating, or other purposes in shops, carhouses, etc., bears to the total power generated and purchased.

CASE 8.

Query. To what account should be charged rent paid for land on which is located a carhouse used as a regular operating carhouse?

Answer. To income account No. 217, "Miscellaneous rents."

CASE 9.

Query. Account No. 550, "Miscellaneous," in the classification for road and equipment, covers, among other things, the cost of preparing and issuing stock certificates and expenses incurred in the disposal of securities. Will it be correct to charge to this account expenses of this nature when they relate to the issuance of bonds by an operating electric railway company for construction and for additions and betterments?

Answer. No. Expenses incident to the issue and sale of bonds shall be handled in accordance with instructions contained in section 3, page 76, of the Uniform System of Accounts for Electric Railways.

CASE 10.

Query. Please explain account No. 87, "Relief department expenses." Also please advise to what account should be charged an employee's wages paid while he is suffering from an injury and is not able to work.

Answer. Account No. 87, "Relief department expenses," is intended to include the cost of operation of and contributions to a relief department or association. Wages paid to an employee while he is disabled by an injury shall be charged to account No. 92, "Injuries and damages," if the injury occurred while the employee was on duty or if the company was responsible. Voluntary contributions made to employees or families of employees on account of sickness or other disability shall be charged to account No. 88, "Pensions and gratuities." (See Cases 52, 110, 111, and 165.)

CASE 11.

Query. We have installed in our different carhouses some large storage tanks for compressed air. The compressed air is used in filling air tanks on cars for the operation of brakes. To what account should we charge the maintenance and operation of the storage tanks?

Answer. The cost of maintenance shall be charged to account No. 36, "Shop equipment," and the cost of operation to account No. 67, "Miscellaneous car-service expenses."

CASE 12.

Query. To what account should be charged the cost of printing expense bills, balance sheets, and other stationery used in the handling of express and freight business incident to the operation of an electric railway?

To what account should be charged printing and stationery used by clerks whose salaries are charged to account No. 1, "Superintendence of way and structures"; account No. 29, "Superintendence of equipment"; account No. 45, "Superintendence of power"; and account No. 68, "Superintendence of transportation"?

To what account should be charged the cost of printing conductors' daily reports (trip sheets) and shortage notices?

Answer. The cost of expense bills, balance sheets, and all other stationery named above shall be charged to account No. 94, "Stationery and printing." By referring to the notes under account No. 94 it will be found that carriers are at liberty to distribute items included therein but that all reports to the Commission must agree with the accounts which are prescribed.

CASE 13.

Query. We have on our lines foreign cars on which we pay a per diem charge. To what account should an expense of this nature be charged? To what account should be charged the maintenance of such cars while on our tracks?

Answer. Per diem on foreign cars shall be charged to account No. 98, "Rent of equipment," and the maintenance of such cars while on your tracks to account No. 30, "Passenger and combination cars"; No. 31, "Freight, express, and mail cars"; No. 32, "Service equipment"; or No. 33, "Electric equipment of cars," as may be appropriate. (See Case 133.)

CASE 14.

Query. We have electric cars equipped and used as pile driver, steam shovel, concrete mixer, and stone crusher. To what accounts should be charged the maintenance of these cars and the machinery?

Answer. The maintenance of such cars and machinery shall be charged as may be appropriate to account No. 32, "Service equipment," or account No. 33, "Electric equipment of cars," except when the cars are used on work not chargeable to Operating Expenses. (See Case 131.)

CASE 15.

Query. To what account should an electric railway charge commissions and wages paid for the sale of school and other tickets at various stores along the line?

Answer. If the tickets are sold at stores which can be considered stations, charge commissions and wages paid to account No. 68, "Station employees"; if the stores can not be considered stations, charge to account No. 79, "Superintendence and solicitation."

CASE 16.

Query. To what account should be charged the salary and expenses of a supervising engineer in charge of the construction of a new line and buildings, and of the installation of machinery in power plants? It is not clear to us

whether these expenses should be charged to account No. 501, "Engineering and superintendence," or charged directly to the account for which incurred, in accordance with Note A.

Answer. If the engineer has direct supervision over all the work in connection with the construction of a new line, it will probably not be possible to apportion his salary and expenses among the various construction accounts. Charges shall, therefore, be made to account No. 501, "Engineering and superintendence," in the classification for road and equipment.

Note A, under account No. 501, provides that, whenever it is possible, the expenses shall be charged directly to the account for which they are incurred, as, for example, "Power plant buildings" or "Shops and carhouses." However, it is not the intention to insist upon any undue refinement in accounting for such matters.

CASE 17.

Query. We note that the accounts "Interest and discount" and "Taxes," formerly carried by many companies in their general expenses, have been dropped from the operating expenses in the Uniform System of Accounts. What is the proper accounting for such items?

Answer. Interest, discount, and taxes, arising in connection with operations, shall be included in the appropriate accounts of the income classification. Interest in connection with expenditures for road and equipment shall be included in primary account No. 547, "Interest during construction."

CASE 18.

Query. This company's tower wagon is frequently used in connection with the construction of electric lines along new tracks, and it has been our custom to credit to "Stable expenses" the cost of the service. Is this correct?

Answer. The expenses of repair or tower wagons which are frequently used in construction work shall be apportioned between maintenance and construction accounts in accordance with the use to which the wagons are put. If expenses properly chargeable to construction are included in account No. 38, "Vehicles and horses," or account No. 96, "Garage and stable expenses," these accounts shall be credited and the appropriate construction account charged.

CASE 19.

Query. A railway company's shop performs services properly chargeable to various construction accounts and to other companies and persons. To what account should be credited the overhead expense added to the cost of labor and material to cover a portion of miscellaneous shop and storeroom expenses?

Answer. Such expense shall be credited to the proper accounts under Operating Expenses.

CASE 20.

Query. To what accounts should charges be made for—

(1) Rents paid for the right to locate tracks and to operate cars on private property.

(2) Amounts paid periodically for privilege of locating poles on private property for high-tension lines.

(3) Amounts paid periodically to municipalities for the right to operate cars on and across streets.

(4) Amounts paid periodically to boards of public works and county officers for the right to operate cars on and across public highways.

Answer. (1) Charge to account No. 217, "Miscellaneous rents."

INTERSTATE COMMERCE COMMISSION ACCOUNTING BULLETIN NO. 14.

QUESTIONS AND ANSWERS.

CASE 1.

Query. Is it permissible for electric railways to renumber the primary accounts of the various classifications for their own convenience, provided the Interstate Commerce Commission numbers are maintained for proper reference and report?

Answer. It is permissible for electric railways to renumber the primary accounts of the various classifications for their own convenience. For the sake of uniformity, however, it is recommended that the account numbers of the classifications be used. It is suggested that companies of Class B and Class C, in numbering their operating expense accounts, combine the numbers used in the text of the classification of operating expenses; for example, the text for the account "Maintenance of track and roadway" for companies of Class B is covered by accounts Nos. 2 to 12, inclusive, and the suggested number would be 2/12; the text for account "Maintenance of way" for companies of Class C is covered by accounts Nos. 2 to 19, inclusive, and the suggested number would be 2/19.

CASE 2.

Query. Is it proper to charge assessments for construction and maintenance of paving to income account No. 215, "Taxes assignable to railway operations"?

Answer. No. Account No. 511, "Paving," in the classification for road and equipment accounts provides for the cost of paving incident to original track construction, while account No. 10, "Paving," in the classification of operating expenses provides for repairs of such paving. (See Cases 85 and 161.)

CASE 3.

Query. Are carriers required to keep subaccounts for paragraphs (a) to (f) under account No. 22, "Distribution system," of the classification of operating expenses; or will it be satisfactory to show the cost in total under this account?

Answer. The Commission does not require the subdivision of account No. 22, "Distribution system," but any carrier desiring to do so may make subdivisions, and keep corresponding subprimary accounts, provided they do not impair the integrity of the account prescribed.

CASE 4.

Query. To what account should an electric railway charge the wages of employees, and the cost of repairs, fuel, water, lubricants, and waste, incident to the operation of a steam locomotive and of gasoline and steam motor cars used regularly as rail equipment?

Answer. If the equipment is used in revenue service, the wages of employees shall be charged to operating expense account No. 75, "Operation of steam locomotives."

The cost of repairs to the steam locomotive and to the locomotive features of gasoline and steam motor cars shall be charged to account No. 34, "Locomotives," and the cost of repairs to the car features of the motor cars shall be charged to account No. 30, "Passenger and combination cars," or account No. 31, "Freight, express, and mail cars," as may be appropriate.

The cost of fuel, water, lubricants, and waste shall be charged to account No. 75, "Operation of steam locomotives."

If the steam locomotive and the motor cars are used in nonrevenue service, the expenses shall be accounted for in the same manner as those for service cars. (See Case 182.)

CASE 5.

Query. Should motors for air governors and pumps on cars be regarded as part of the electrical equipment, and the cost of repairs thereof be charged to account No. 38, "Electric equipment of cars"?

Answer. No. The electric equipment of cars includes the electric motive equipment and wiring. The term "car" includes the car body and trucks, electric bells and wiring, electric heaters and wiring, electric lights and wiring, and air-brake equipment and wiring. Repairs to motors for air governors and pumps on cars shall, therefore, be charged to operating expense account No. 30, "Passenger and combination cars"; No. 31, "Freight, express, and mail cars"; No. 32, "Service equipment"; or No. 34, "Locomotives."

CASE 6.

Query. Are electric railways at liberty to open clearing accounts for store expenses and apportion them on a basis of material issues? If so, should only the amounts chargeable to Operating Expenses be charged to account No. 95, "Store expenses," and so reported to the Commission; or should this account also include expenses incurred in connection with material issued for construction and betterments?

Answer. Electric railways are at liberty to open clearing accounts for store expenses and apportion the amounts charged thereto. The total amount chargeable to Operating Expenses shall be charged to account No. 95, "Store expenses." Account No. 95 should not include expenses incurred primarily in connection with material issued for construction or for additions and betterments.

Carriers are at liberty to distribute for their own purposes items covered by this account to other operating expense accounts affected, but in their reports to the Commission the entire amount of store expenses chargeable to Operating Expenses shall be reported under account No. 95. (See Case 354.)

CASE 7.

Query. Please explain the various accounts "Other operations—Dr." and "Cr.," contained in the classification of operating expenses.

In connection with these accounts, it is understood that account No. 59, "Power purchased," shall show the total amount expended for this purpose, and that the amounts used for lighting shops, carhouses, etc., may be charged to the accounts affected and offsetting credits made to account No. 61, "Power transferred—Credit." Is this correct?

Answer. The accounts "Other operations—Dr." and "Other operations—Cr." are to be used by electric railways which engage in other lines of business, such as the production of power and light for sale. The proportion of operating expense chargeable to the light or other departments shall be credited to the various accounts "Other operations—Cr."

The cost of producing power, irrespective of the manner in which it is used, shall be included in the primary accounts of the railway department. Account No. 60, "Power purchased," covers the cost of power purchased from other companies.

Account No. 61, "Power transferred—Credit," the use of which is optional, may be credited with that proportion of the total of the accounts under the general account Power which the power used for lighting, heating, or other purposes in shops, carhouses, etc., bears to the total power generated and purchased.

CASE 8.

Query. To what account should be charged rent paid for land on which is located a carhouse used as a regular operating carhouse?

Answer. To income account No. 217, "Miscellaneous rents."

CASE 9.

Query. Account No. 550, "Miscellaneous," in the classification for road and equipment, covers, among other things, the cost of preparing and issuing stock certificates and expenses incurred in the disposal of securities. Will it be correct to charge to this account expenses of this nature when they relate to the issuance of bonds by an operating electric railway company for construction and for additions and betterments?

Answer. No. Expenses incident to the issue and sale of bonds shall be handled in accordance with instructions contained in section 8, page 76, of the Uniform System of Accounts for Electric Railways.

CASE 10.

Query. Please explain account No. 87, "Relief department expenses." Also please advise to what account should be charged an employee's wages paid while he is suffering from an injury and is not able to work.

Answer. Account No. 87, "Relief department expenses," is intended to include the cost of operation of and contributions to a relief department or association. Wages paid to an employee while he is disabled by an injury shall be charged to account No. 92, "Injuries and damages," if the injury occurred while the employee was on duty or if the company was responsible. Voluntary contributions made to employees or families of employees on account of sickness or other disability shall be charged to account No. 88, "Pensions and gratuities." (See Cases 52, 110, 111, and 155.)

CASE 11.

Query. We have installed in our different carhouses some large storage tanks for compressed air. The compressed air is used in filling air tanks on cars for the operation of brakes. To what account should we charge the maintenance and operation of the storage tanks?

Answer. The cost of maintenance shall be charged to account No. 36, "Shop equipment," and the cost of operation to account No. 67, "Miscellaneous car-service expenses."

CASE 12.

Query. To what account should be charged the cost of printing expense bills, balance sheets, and other stationery used in the handling of express and freight business incident to the operation of an electric railway?

To what account should be charged printing and stationery used by clerks whose salaries are charged to account No. 1, "Superintendence of way and structures"; account No. 29, "Superintendence of equipment"; account No. 45, "Superintendence of power"; and account No. 68, "Superintendence of transportation"?

To what account should be charged the cost of printing conductors' daily reports (trip sheets) and shortage notices?

Answer. The cost of expense bills, balance sheets, and all other stationery named above shall be charged to account No. 94, "Stationery and printing." By referring to the notes under account No. 94 it will be found that carriers are at liberty to distribute items included therein but that all reports to the Commission must agree with the accounts which are prescribed.

CASE 13.

Query. We have on our lines foreign cars on which we pay a per diem charge. To what account should an expense of this nature be charged? To what account should be charged the maintenance of such cars while on our tracks?

Answer. Per diem on foreign cars shall be charged to account No. 98, "Rent of equipment," and the maintenance of such cars while on your tracks to account No. 30, "Passenger and combination cars"; No. 31, "Freight, express, and mail cars"; No. 32, "Service equipment"; or No. 33, "Electric equipment of cars," as may be appropriate. (See Case 133.)

CASE 14.

Query. We have electric cars equipped and used as pile driver, steam shovel, concrete mixer, and stone crusher. To what accounts should be charged the maintenance of these cars and the machinery?

Answer. The maintenance of such cars and machinery shall be charged as may be appropriate to account No. 32, "Service equipment," or account No. 33, "Electric equipment of cars," except when the cars are used on work not chargeable to Operating Expenses. (See Case 131.)

CASE 15.

Query. To what account should an electric railway charge commissions and wages paid for the sale of school and other tickets at various stores along the line?

Answer. If the tickets are sold at stores which can be considered stations, charge commissions and wages paid to account No. 68, "Station employees"; if the stores can not be considered stations, charge to account No. 79, "Superintendence and solicitation."

CASE 16.

Query. To what account should be charged the salary and expenses of a supervising engineer in charge of the construction of a new line and buildings, and of the installation of machinery in power plants? It is not clear to us

whether these expenses should be charged to account No. 501, "Engineering and superintendence," or charged directly to the account for which incurred, in accordance with Note A.

Answer. If the engineer has direct supervision over all the work in connection with the construction of a new line, it will probably not be possible to apportion his salary and expenses among the various construction accounts. Charges shall, therefore, be made to account No. 501, "Engineering and superintendence," in the classification for road and equipment.

Note A, under account No. 501, provides that, whenever it is possible, the expenses shall be charged directly to the account for which they are incurred, as, for example, "Power plant buildings" or "Shops and carhouses." However, it is not the intention to insist upon any undue refinement in accounting for such matters.

CASE 17.

Query. We note that the accounts "Interest and discount" and "Taxes," formerly carried by many companies in their general expenses, have been dropped from the operating expenses in the Uniform System of Accounts. What is the proper accounting for such items?

Answer. Interest, discount, and taxes, arising in connection with operations, shall be included in the appropriate accounts of the income classification. Interest in connection with expenditures for road and equipment shall be included in primary account No. 547, "Interest during construction."

CASE 18.

Query. This company's tower wagon is frequently used in connection with the construction of electric lines along new tracks, and it has been our custom to credit to "Stable expenses" the cost of the service. Is this correct?

Answer. The expenses of repair or tower wagons which are frequently used in construction work shall be apportioned between maintenance and construction accounts in accordance with the use to which the wagons are put. If expenses properly chargeable to construction are included in account No. 88, "Vehicles and horses," or account No. 96, "Garage and stable expenses," these accounts shall be credited and the appropriate construction account charged.

CASE 19.

Query. A railway company's shop performs services properly chargeable to various construction accounts and to other companies and persons. To what account should be credited the overhead expense added to the cost of labor and material to cover a portion of miscellaneous shop and storeroom expenses?

Answer. Such expense shall be credited to the proper accounts under Operating Expenses.

CASE 20.

Query. To what accounts should charges be made for—

(1) Rents paid for the right to locate tracks and to operate cars on private property.

(2) Amounts paid periodically for privilege of locating poles on private property for high-tension lines.

(3) Amounts paid periodically to municipalities for the right to operate cars on and across streets.

(4) Amounts paid periodically to boards of public works and county officers for the right to operate cars on and across public highways.

Answer. (1) Charge to account No. 217, "Miscellaneous rents."

(2) Charge to account No. 49, "Transmission system."

(8) and (4) Charge to account No. 215, "Taxes assignable to railway operations," in the income classification.

CASE 21.

Query. To what account or accounts should be credited charges made against operation and construction accounts for electricity furnished by an electric railway company for the use of its shop motors, carhouse lighting, running of construction cars engaged in company service such as building new tracks, etc.?

Answer. The classification of operating expenses does not require a segregation of the cost of power to shops, carhouses, etc., although account No. 61, "Power transferred—Credit," the use of which is optional, is provided for use if such segregation is desired.

The Commission's order provides on page 6 of the Uniform System of Accounts that any carrier may "keep any temporary or experimental accounts the purpose of which is to develop the efficiency of operation: Provided, however, that such temporary or experimental accounts shall not impair the integrity of any primary account hereby prescribed." It is therefore permissible for any carrier to ascertain for its own information the cost of power used at shops or carhouses.

The actual cost of power used in operating work cars for construction purposes, such as building new tracks, etc., is properly chargeable to construction accounts, and proper credit shall be given to operating expense general account VII, Transportation for Investment—Or. (See Case 59.)

CASE 22.

Query. A large percentage of the purchases made by the purchasing department of this company is for construction and betterment purposes. Would it be permissible to charge to the appropriate road and equipment accounts such a proportion of the salaries and expenses of that department as would fairly represent the expense of the purchases made primarily for such construction and betterments?

Answer. The classification of operating expenses is intended to cover operating expenses only, and it is proper to charge to the appropriate road and equipment accounts such a proportion of the salaries and expenses of purchasing agents and assistants as would fairly represent the expense of the purchases made for such construction and betterment. In the consideration of this question account No. 95, "Store expenses," should not be overlooked. (See Case 6.)

CASE 23.

Query. A company conducting a railway, power, and light business carries its general accounts in the power and light department. A monthly charge for power is made to the street railway department and to the light department. Are the monthly charges for power to the light and street railway departments satisfactory? Is a single balance sheet for the entire business permissible?

Answer. Each company conducting a railway, power, and light business shall include all expenses incident to the production of power used by the railway, power, and light departments in primary accounts Nos. 45 to 62, inclusive, under the general account Power. The proportion of the cost of such power assignable to the power and light departments shall be cleared through primary account No. 62, "Other operations—Cr.," in accordance with instructions contained in section 4, page 17, of the Uniform System of Accounts for Electric Railways.

The Commission has not prescribed a classification of revenues and expenses for auxiliary operations of electric railways.

One balance sheet is all that is necessary for the entire business described in this query.

CASE 24.

Query. To what account should be charged payments made to the Government, on the basis of a specific charge per passenger, for the privilege of stringing wires and operating cars over a public bridge?

Answer. To account No. 215, "Taxes assignable to railway operations." (See Cases 67 and 163.)

CASE 25.

Query. What disposition should be made of custom labor or labor of employees in various departments on work entirely outside of railway operation, for which the railroad is reimbursed the wages of the employees, together with the profit on same and the general shop expenses?

What disposition should be made of profits on new material sold to some outside concern from storeroom stock which has been handled in sales account?

Answer. Assuming that the amount involved in the custom labor account is small, and that the expenses have been charged to operating accounts, items covering labor performed for outside parties, together with the percentage added for profit and general shop expenses, shall be debited to account No. 410, "Miscellaneous accounts receivable," and credited to the operating expense accounts originally charged.

The profit from the sales account shall be credited to account No. 212, "Miscellaneous income."

CASE 26.

Query. To what accounts should be charged the cost of new structures and general improvements in a free private park owned by the carrier, and the maintenance expenses of such a park?

Answer. The cost of new structures and improvements of a substantial character shall be charged to account No. 526, "Park and resort property," in the classification for road and equipment.

Maintenance expenses shall be charged to operating expense account No. 81, "Park, resorts, and attractions."

CASE 27.

Query. A company organized for purely local street railway business and having no electric-light or gas department and no joint arrangement with any other company in the operation of cars, requests information as to the manner in which the accounts "Other operations—Dr." and "Other operations—Cr." in various parts of the classification of operating expenses would enter into its records.

Answer. From the foregoing statement it is evident that the company will not require the accounts "Other operations—Dr." and "Other operations—Cr." It is not expected that a carrier will keep on its books any accounts for which it has no need.

CASE 28.

Query. A light and traction company operates gas, electric-light, and street railway properties. The operating expenses of the three coordinate departments are kept entirely separate, except the general expenses, consisting of

clerical salaries, rent, and office supplies. Will it be satisfactory to the Commission if the company should continue carrying expenses of this character in one account covering all departments?

Answer. Yes, provided such account is reported in detail, according to the primary accounts provided under General and Miscellaneous in the annual report form and the proportion chargeable to other departments is reported in account No. 100, "Other operations—Cr."

If the light department is accounted for as an auxiliary operation, the taxes on the property used by such department shall be charged to account No. 215, "Taxes assignable to railway operations." If the property used in the production of gas is carried in account No. 404, "Miscellaneous physical property," the taxes on such property shall be charged to account No. 205, "Net income from miscellaneous physical property," or No. 219, "Net loss on miscellaneous physical property," as may be appropriate. (*See Cases 188, 198, 300, 362*).

CASE 29.

Query. We are charging to account No. 59, "Power purchased," the actual cost of electric current generated at our plant (gas, electric-light, and street railway property) and consumed by the railway department. Is this correct?

Answer. The practice above outlined is not in accordance with the requirements of the classification of operating expenses. All expenses incident to the production of power shall be charged to the appropriate primary accounts (Nos. 45 to 62, inclusive) under the railway department general account Power, and the amounts chargeable to the other departments, representing their proportions of the cost of power furnished, shall be cleared through account No. 62, "Other operations—Cr." Account No. 59, "Power purchased," is intended to include amounts paid for power purchased from other companies. (*See Case 28.*)

CASE 30.

Query. This company operates a sprinkler car for the purpose of sprinkling certain streets and highways on which our track is laid. The city in which this service is performed pays us, as its proportion of the cost of this service, from 15 to 20 cents per sprinkler car-mile run. Please advise to what accounts the corresponding debits and credits should be made.

Answer. The amount received from the city shall be credited to revenue account No. 109, "Miscellaneous transportation revenue."

If the service rendered is performed primarily for revenue purposes, the expense of operating the sprinkler car shall be charged to the appropriate expense accounts under the general account Conducting Transportation. If, however, the service is performed primarily for the benefit of the railway and the amount received from the city is only incidental, the expense of operating the sprinkler car shall be charged to operating expense account No. 11, "Cleaning and sanding track."

In either case the cost of repairing the car shall be charged to account No. 32, "Service equipment."

CASE 31.

Query. Is there not a conflict between account No. 511, "Paving," and account No. 516, "Crossings, fences, and signs," in the classification for road and equipment, so far as they refer to labor and material on crosswalks?

Answer. There is no conflict between the accounts mentioned. Account No. 511 embraces the expense of labor and material used in crosswalks constructed

in connection with paving on streets along which the electric road extends; while account No. 516 covers street and highway crossings at other points where it may be necessary to construct entirely new crossings or to provide crossings of an improved character over those previously existing.

CASE 32.

Query. To what operating expense account should be charged the cost of labor and material used in connection with the repair of overhead contacts installed in the trolley wire, and repair of wiring leading from the trolley to magnets, etc., which operate an electric track switch, a device for automatically doing the work of a switchman through the operation of the magnets?

Answer. The cost of material shall be charged to account No. 6, "Special work," and the cost of labor to account No. 8, "Track and roadway labor."

CASE 33.

Query. To what account should be charged an amount paid for rent of land on which a Y or switch is located?

Answer. To account No. 217, "Miscellaneous rents."

CASE 34.

Query. This company has an arrangement with telephone, telegraph, and electric-lighting companies, whereby it pays amounts for the privilege of making attachments to their poles for carrying its wires, and collects from them other amounts for attachments to its poles for carrying their cables and wires. To what accounts should the resulting debits and credits be made?

Answer. Charge the amounts paid to operating expense account No. 28, "Miscellaneous electric line expenses," or to No. 49, "Transmission system," according to the character of line, and credit the amounts received to revenue account No. 117, "Rent of buildings and other property."

CASE 35.

Query. To what account should be charged the cost of *material* used in the construction of a retaining wall for the protection of banks from high tides, it being understood that account No. 8, "Track and roadway labor," is intended to cover the cost of labor expended in such work?

Answer. Operating expense account No. 8, "Track and roadway labor," is intended to cover the cost of *labor* expended in "protecting banks by retaining walls, riprap, piling, piers, dikes, or other means." The cost of *material* used in connection with such work properly chargeable to Operating Expenses shall be charged to account No. 9, "Miscellaneous track and roadway expenses."

Expenditures of the above nature arising in connection with the construction of a new road shall be charged to account No. 504, "Grading," in the classification for road and equipment.

CASE 36.

Query. To what account should be charged rent of land used for storage of track material, part of which is for use in repairs of track, but most of which is for use in the construction of new track?

Answer. If the amount of the rent is considerable, it shall be apportioned upon an equitable basis, the proportion assignable to construction being in-

cluded in road and equipment account No. 529, "Other expenditures—Way and structures," and the proportion assignable to repairs included in income account No. 217, "Miscellaneous rents."

If it be impracticable to divide the rent as between construction and repairs, and the amount involved is small, the entire amount may be included in income account No. 217, "Miscellaneous rents."

CASE 37.

Query. This company owns a nine-story building. One-third of the ground floor is used for tracks for cars running into and out of the building, waiting room, ticket office, etc., and the remainder is rented for store purposes, concessions, etc. The general offices occupy about one floor, and the remaining floors are rented for office purposes. Should rents received from tenants be credited as operating revenues or as miscellaneous income?

Answer. Rents shall be credited to revenue account No. 117, "Rent of buildings and other property," if the expense of maintaining and operating the portions rented can not be separated from the expense of maintaining and operating the portion used by the railway company.

In case the expense of maintaining and operating the portions rented can be separated from the expense of maintaining and operating the portion used by the railway company, the rents received shall be included in income account No. 204, "Miscellaneous rent income," and not in Operating Revenues, and the expense of maintaining and operating the rented portions shall be charged against the rents received.

CASE 38.

Query. We are in doubt as to the proper account to be charged for trolley parts, namely, wheels, axles, washers, springs, harps, poles, bushings, etc., and for carbon brushes, carbons, headlight parts, etc. Should these items be charged to accounts Nos. 30 to 34, inclusive, or to account No. 67, "Miscellaneous car-service expenses"?

Answer. Trolley parts are to be considered as electric motive equipment and, if for repairs thereof, shall be charged to account No. 33, "Electric equipment of cars," or No. 34, "Locomotives," as may be appropriate. The first cost of such parts shall be charged to account No. 533, "Electric equipment of cars," or No. 534, "Locomotives."

Headlight parts for cars are to be considered as parts of the cars and, if for repairs, shall be charged to account No. 30, "Passenger and combination cars," No. 31, "Freight, express, and mail cars," or No. 32, "Service equipment," as may be appropriate. The first cost shall be charged to like accounts in Road and Equipment.

Carbons for electric-arc headlights and carbon brushes for motors of cars shall be charged to account No. 67, "Miscellaneous car-service expenses," to which account are chargeable only such items as do not pertain to maintenance of equipment.

The following indicates the line of demarcation between the electric equipment of a car and the car: "Electric equipment" of a car includes the electric *motive* equipment and wiring; the term "car" includes the car body and trucks, electric bells and wiring, electric heaters and wiring, electric lights and wiring, and air-brake equipment and wiring.

CASE 39.

Query. Are Classes B and C of electric railways required to keep all the accounts composing the classifications of road and equipment, operating revenue, income, profit and loss, and general balance-sheet accounts, as is required of Class A companies?

Answer. All electric railways subject to the jurisdiction of the Commission are required to keep their road and equipment, operating revenue, income, profit and loss, and general balance-sheet accounts under the same classifications, no condensed classification of such accounts being provided for companies of Class B or Class C.

CASE 40.

Query. What is meant by the term "car hours" as used in the mileage, traffic, and miscellaneous statistics of the form for annual report, particularly with reference to "passenger car hours"?

Answer. "Passenger car hours" include not only the actual time while in revenue service, but also the time consumed in running from carhouses to points where regular service is begun, time lost between trips, and time lost on account of delays caused by blockades, parades, etc. The entire time during which the cars are in charge of the motormen and conductors is to be reported as passenger car hours.

CASE 41.

Query. Is it permissible to apportion store and stable expenses among the water, light, and railway departments in proportion to the services rendered by the storeroom and the stables?

Answer. Yes. The proportion of store and stable expenses chargeable to the water and light departments shall be credited to account No. 100, "Other operations—Cr.," it being the intention that the "other operations" accounts shall apply in connection with all general and miscellaneous accounts. •

Carriers are at liberty to distribute store and stable expenses of the railway department to the various operating expense accounts affected, but for the purpose of the annual reports the amounts distributed shall be reported under account No. 95, "Store expenses," and No. 96, "Garage and stable expenses," and such amounts eliminated from the accounts to which they were originally distributed.

In this connection attention is called to the fact that no portion of store expenses or stable expenses which is properly chargeable to Road and Equipment shall be included in accounts Nos. 95 and 96, as these accounts are intended to include operating expenses only. (See Case 6.)

CASE 42.

Query. A company is required by its franchise to widen one of the streets upon which it operates, and pay all expenses of excavating, moving back and resetting curbs, constructing new catch basins with sewer connections, adjusting all sidewalks and crosswalks disturbed, readjusting all pole lines, hydrants, etc., owned by other corporations, and laying a new asphalt pavement between the brick-paved railroad strip and the curbs. Would it be proper to consider this as an incidental cost of the road itself and chargeable to account No. 502, "Right of way"; or should the cost be charged to account No. 550, "Miscellaneous"?

Answer. The cost shall be charged to account No. 502, "Right of way," except cost of paving, which shall be charged to account No. 511, "Paving." (See Cases 84 and 134.)

CASE 43.

Query. Is it intended that account No. 24, "Buildings, fixtures, and grounds," shall be used solely for repairs of owned buildings, or may the cost of repairs to rented buildings be included?

Answer. Account No. 24, "Buildings, fixtures, and grounds," is intended to include cost of repairs of owned buildings or buildings held under long-term leases. The cost of repairs of buildings rented from month to month is not to be included in this account, but shall be charged to the account to which the rent is charged.

CASE 44.

Query. Should repairs to rented passenger waiting rooms where tickets are sold be charged to account No. 69, "Station expenses"?

Answer. Yes. (See Case 43 respecting repairs to buildings held under long-term leases.)

CASE 45.

Query. We have a contract with another carrier under which the other carrier provides cars and maintains them for the purpose of furnishing through service. While these cars are on our tracks we pay all expenses of operation.

The junction point is a fare limit. Each company collects fares for travel upon its own tracks. We retain all fares collected from passengers who travel only between points on our line, but we pay to the other company a certain part of the fares collected by our company from passengers who travel between points on our line and points beyond the junction. How shall we charge amounts paid under this contract?

Answer. As the payor receives only the use of equipment, the amounts so paid shall be charged to account No. 98, "Rent of equipment."

CASE 46.

Query. In account No. 519, "Poles and fixtures," in the classification for road and equipment is the statement "This account shall include the cost of * * brackets and other pole fixtures; * * structures for supporting the overhead electric construction." In account No. 521, "Distribution system," in the same classification, is the statement, "This account shall include the cost of labor and material used in constructing the distribution system, including * * overhead trolley lines, including cost of trolley, guard, span, strain, supplementary, and other wires." Since brackets used for supporting trolley wires are analogous to span wires, should not the cost of such brackets be charged to account No. 521, "Distribution system"?

Answer. Brackets used for supporting trolley wires are distinctly pole fixtures and shall be charged to account No. 519, "Poles and fixtures."

The phrase "structures for supporting the overhead electric construction" in account No. 519, is intended to cover such structures as steel catenary bridges, which are used by some railways to carry the double-track overhead lines and which have two side towers and a connecting truss built of light angles and channels.

CASE 47.

Query. Our master mechanic asks that we define the term "electric locomotive" in relation to the classification of operating expenses, his desire being to know whether the build of the machine or the use to which it is put governs. We have a machine with standard express car body, but with low-speed high-power motor equipment, which is used in handling ballast cars, flat cars, etc., in maintenance work, and sometimes in hauling such freight as lumber, wood, etc., in car lots.

Answer. In defining the term "electric locomotive" the build of the machine, rather than the use to which it is put, should govern. If it is so arranged that it can carry freight or passengers within itself it shall be considered a car.

This distinction seems necessary, as it frequently happens that regular passenger cars, freight cars, or work cars are used to haul other cars. To treat them as locomotives, when so used, would undoubtedly lead to confusion.

CASE 48.

Query. To what account in the classification for road and equipment should be charged the cost of electric headlights for passenger cars?

Answer. To account No. 530, "Passenger and combination cars." Account No. 533, "Electric equipment of cars," is intended to include only the electric motive equipment. (See Case 5.)

CASE 49.

Query. The classification of operating revenues provides in account No. 101, "Passenger revenue," under the caption Revenue from Transportation: "To this account shall be charged amounts paid for * * * tickets and transfers redeemed." In Note B it is provided that all tickets may be credited to an open account and this account charged when tickets are collected. In case tickets are redeemed, should they not be charged to the open account to which the sale has been credited?

Answer. When receipts from the sale of tickets are credited to a suspense account, that account shall also be charged with amounts paid for tickets redeemed.

CASE 50.

Query. Note B under revenue account No. 101, "Passenger revenue," states that the proceeds from the sale of mileage books are to be carried to that account as they are honored for transportation. We have always handled the sale of these tickets by crediting directly to revenue, the same as we would round-trip tickets. Is it required that interurban companies reporting to the Commission shall follow the directions in account No. 101?

To what account should be credited the value of coupons from mileage books which for any reason remain unrepresented?

Answer. It is not permissible to credit revenue account No. 101, "Passenger revenue," with receipts from mileage books at the time of sale. It is necessary to credit, at the time of sale, the receipts from mileage books to a suspense account under balance-sheet account No. 446, "Other unadjusted credits," and, as the mileage is honored, to charge such account and credit account No. 101, "Passenger revenue," in accordance with Note B of that account.

The value of unrepresented mileage coupons, the validity of which has expired, shall be credited to account No. 101, "Passenger revenue."

CASE 51.

Query. Should the cost of tools used in the maintenance of way and structures, including those used in the repairs of bridges and buildings, interlocking systems, transmission and distribution systems, and the cost of crucibles, etc., used in connection with a thermit welding machine, be charged to account No. 9, except as provided in accounts Nos. 11 and 12?

Answer. Account No. 9, "Miscellaneous track and roadway expenses," includes only the "cost of roadway tools when chargeable to Operating Expenses; material used in repairing tools, velocipedes, hand and push cars, implements, flags, lanterns, etc., used when repairing track and roadway." This would include crucibles, etc., used in connection with a thermit welding machine.

The cost of renewing and repairing tools shall be charged to account No. 15, "Bridges, trestles, and culverts," if the tools are used in the maintenance of bridges; to account No. 17, "Signal and interlocking apparatus," if used in the maintenance of interlocking systems; to account No. 23, "Miscellaneous electric line expenses," if used in the maintenance of the distribution system; to account No. 24, "Buildings, fixtures, and grounds," if used in the maintenance of buildings named in that account; to account No. 46, "Power plant buildings, fixtures, and grounds," if used in the maintenance of power plant and substation buildings; and to account No. 49, "Transmission system," if used in the maintenance of the transmission system.

It is not necessary to apportion among a number of accounts the cost of maintenance of tools used for general purposes.

CASE 52.

Query. A conductor on one of our cars, in discharge of his duty, ejected an unruly passenger who refused to pay fare. In doing so the conductor was injured to such an extent that he was unable to attend to his duties for some time. It has been decided to pay the conductor for all the time lost. Is this a proper charge to account No. 92, "Injuries and damages"?

Answer. The payment shall be charged to account No. 92, "Injuries and damages." (See Cases 10, 110, 111, and 425.)

CASE 53.

Query. Please advise if premiums paid to guaranty companies for bonds furnished municipalities in accordance with franchises granted for the privilege of constructing and operating railroads on the streets should be charged to account No. 93, "Insurance," in the classification of operating expenses. The bonds referred to are given for the faithful performance of all the terms of the franchise, including the construction of the line, the payment of a percentage of the gross receipts, and the maintenance and operation of the line. The bonds are continuous and run during the life of the franchise.

Answer. Such payments shall be charged to account No. 550, "Miscellaneous," in the classification for road and equipment, when they are incurred in connection with construction work; and to account No. 89, "Miscellaneous general expenses," in the classification of operating expenses, when they are incurred in connection with operation.

CASE 54.

Query. This company uses large numbers of portable iron signs, which are hooked on the fronts of the cars to indicate the destination. They are in nowise permanent fixtures of the cars, but are used on different cars as occasion

requires. On some of our new cars we have adjustable signs which consist of rolls with various destinations painted thereon and are essential parts of the cars themselves. To which accounts should the cost of these signs be charged?

Answer. The portable signs shall be charged to account No. 67, "Miscellaneous car-service expenses." The first cost of the adjustable signs attached to the cars shall be charged to account No. 530, "Passenger and combination cars," and the maintenance to account No. 30, "Passenger and combination cars."

CASE 55.

Query. Should the wages of engineers and other employees engaged in operating power plants and substations be charged to repair accounts when they are engaged in making minor repairs during their regular hours?

Answer. It is not intended that any portion of the wages of engineers and other employees engaged in station operation shall be charged to repair accounts when they are engaged incidentally in making minor repairs during their regular shifts.

As a general rule, it is not necessary to distribute the wages of a regular employee to the several accounts affected if part of his time is devoted only incidentally to repair work. If, however, he is required to devote a considerable part of his time to such repairs, his wages shall be apportioned to the proper accounts in accordance with the work performed. (*See Cases 109, 181, and 187.*)

CASE 56.

Query. To what account should be charged the cost of printing tariffs, and the cost of printing orders for conductors and motormen in connection with transportation rules, regulations, etc.?

Answer. To account No. 94, "Stationery and printing."

CASE 57.

Query. We have a track that is "plain back filled," that is, filled with crushed stone to the top of the rails. Strictly speaking, it is not ballast, although in many instances, it would be hard to distinguish it from ballast. Should the cost of this filling be charged to account No. 2, "Ballast," or to account No. 9, "Miscellaneous track and roadway expenses"?

Answer. The cost of filling track with crushed stone to the top of the rails shall be charged, when in connection with maintenance, to account No. 2, "Ballast," as regards material, and to account No. 8, "Track and roadway labor," as regards labor.

CASE 58.

Query. Under our contract for carrying the mail we are required to transfer the mail at certain points from the cars to the post-office. To what account shall we charge the cost of this service?

Answer. Specific payments for this service shall be charged to account No. 78, "Other transportation expenses."

CASE 59.

Query. Since commencing operations we have considered the policy of charging our several departments at a rate per car-hour for the use of work cars in order that the department head would have it brought forcibly to his attention that the work cars should be used as little as possible. Is this permissible?

If equipment is rented to a contractor, the company furnishing employees to operate the same, to what account shall be credited the amounts received from the contractor?

Answer. No charge shall be made against maintenance or other operating accounts for the use of work cars. If work cars are used on construction work by the company itself, and a charge is made against construction accounts therefor, it shall be as near actual cost as possible, and credit shall be given to operating expense general account 'Transportation for Investment—Cr.

When a charge is made against a contractor for use of equipment, credit shall be given to revenue account No. 116, "Rent of equipment." The wages of conductors, motormen, and other employees engaged on work cars rented to contractors shall be charged to account No. 66, "Miscellaneous car-service employees." (*See Cases 21 and 30.*)

CASE 60.

Query. Notes under operating expense accounts Nos. 3, 4, 5, 6, and 7 provide that the cost of labor shall be charged to account No. 8. If this refers to the first handling of material from cars or boats to yards or docks, it will be difficult, if not impossible, to separate that portion properly chargeable to Operating Expenses from that chargeable as expenditure for road, as it will not be possible when the material is received to tell which part of the material will be used in repairs and which part in construction. This labor has always been considered as part of the cost of material. Should it not be so considered?

Answer. The notes under the accounts mentioned do not refer to the first handling of material from cars or boats to yards or docks, but to the unloading at the points where the material is to be used. The cost of the first handling is properly chargeable to the cost of the material. (*See Case 371.*)

CASE 61.

Query. Should the cost of labor and materials, such as special grubbing tools, liquid weed-killer, and sprinkling devices, used in clearing track and right of way of weeds, be charged to account No. 11, "Cleaning and sanding track"?

Answer. The cost of material shall be charged to account No. 9, "Miscellaneous track and roadway expenses," and the cost of labor to account No. 8, "Track and roadway labor."

CASE 62.

Query. To what account should be charged the cost of planks used in crossings of steam railroads in city streets?

Answer. If the planks are used in maintenance, the cost shall be charged to account No. 16, "Crossings, fences, and signs," in the classification of operating expenses; if used in construction, to account No. 516, "Crossing, fences, and signs," in the classification for road and equipment.

CASE 63.

Query. To what account should be charged the cost of wooden plugs used for filling spike holes in ties?

Answer. To account No. 3, "Ties."

CASE 64.

Query. Should the wages of levermen on derailleurs at steam railroad crossings be charged to "Miscellaneous car-service employees" or to "Operation of signal and interlocking apparatus"?

Answer. To account No. 72, "Operation of signal and interlocking apparatus."

CASE 65.

Query. To what account should be charged cost of removing car ashes from cars to dump?

Answer. If removal is made by company employees, the cost shall be charged to account No. 70, "Carhouse employees"; otherwise to account No. 67, "Miscellaneous car-service expenses."

CASE 66.

Query. Please advise whether the salaries of accounting department clerks engaged in handling the accounts of the maintenance of way, mechanical, and stores departments should be charged to account No. 84, "Salaries and expenses of general office clerks," or apportioned to accounts No. 1, "Superintendence of way and structures," No. 29, "Superintendence of equipment," No. 45, "Superintendence of power," and No. 95, "Store expenses."

Answer. Assuming that the clerks in question, although exclusively engaged in handling the accounts pertaining to separate departments, are employed in the general accounting office, their salaries shall be charged to account No. 84, "Salaries and expenses of general office clerks."

CASE 67.

Query. Should amounts paid to cities for licenses to operate cars within city limits, and payments based on percentage of gross receipts in accordance with the terms of franchises, be charged as taxes?

Answer. Payments to municipalities for privilege of operating cars (license tax) and payments of a percentage of operating revenues in accordance with terms of franchises (franchise tax) shall both be charged to account No. 215, "Taxes assignable to railway operations." (See Cases 20, 24, and 163.)

CASE 68.

Query. A ruling is desired as to the proper accounts to be charged with amounts paid for telephone service, such as for tolls, and for rent of private lines and operating systems. They appear to be in the nature of miscellaneous expenses chargeable to the department for whose benefit the expenses are incurred.

Answer. Rent of telephone lines used primarily for the operation of cars shall be charged to account No. 73, "Operation of telephone and telegraph lines"; amounts paid for local telephone service at stations to account No. 69, "Station expenses"; and all other telephone expenses to account No. 89, "Miscellaneous general expenses." (See Cases 149, 167, and 235.)

CASE 69.

Query. At different points on our line we have electric lights, some of which have been installed in accordance with our franchise agreements, others because of the necessity of providing lights for the safety of our passengers. To what

account should be charged the labor and material used in repairing and renewing such lights?

Answer. The cost of repairing and renewing lights along tracks, either in accordance with franchise agreements or for the purpose of avoiding accidents, shall be charged to account No. 78, "Other transportation expenses." In the case of lights installed at stations owned by a company, the cost of repairing and renewing wiring in connection with such lights shall be charged to account No. 24, "Buildings, fixtures, and grounds," and the cost of renewing the lamps to account No. 69, "Station expenses."

If, however, the station is rented, the entire expense shall be charged to account No. 69. If it is not practicable to separate the expense of renewing and repairing the wiring from that of renewing the lamps at stations owned by a company, the entire cost may be included in account No. 69.

CASE 70.

Query. Our franchise for the use of a county bridge carries an obligation to pay a proportion of the cost of bridge maintenance and operation. How shall we charge such payments?

Answer. The cost of maintaining a bridge used under long-term lease or franchise shall be treated the same as maintenance of property owned. With this understanding, the maintenance of the bridge in question shall be charged to account No. 15, "Bridges, trestles, and culverts," and the cost of any paving done shall be charged to account No. 10, "Paving." The wages of bridge tenders shall be charged to account No. 66, "Miscellaneous car-service employees."

CASE 71.

Query. What is the proper disposition of the cost of patterns used in making castings? In some cases these patterns were made for cars being built, and are now carried in stock and used for making repair parts when necessary. In other cases the patterns were made solely for the casting of repair parts. Is it proper to charge the cost of the patterns to the cost of the equipment built, in the first instance, and to the cost of repairing the equipment in the second instance; or should the patterns be treated as hand tools and machine tools?

Answer. The cost of patterns originally made for cars being built by a company shall be included in the cost of the equipment. The cost of patterns made expressly for the casting of repair parts shall be included in the cost of repairing equipment.

CASE 72.

Query. Referring to accounts No. 507, "Rails, rail fastenings, and joints," and No. 508, "Special work," in the classification for road and equipment, kindly advise to which of these accounts should be charged the cost of guard rails placed around plain curves in main tracks where there are no frogs, switches, cross-overs, or other special work in connection therewith. Does account No. 508, "Special work," include the cost of any guard rails except those used in connection with railroad crossings, cross-overs, frogs, switches, turn-outs, or other parts of the track made to order?

Answer. The cost of guard rails placed around plain curves in main tracks where there are no frogs, switches, cross-overs, or other special work in connection therewith shall be charged to account No. 507, "Rails, rail fastenings, and joints." Account No. 508, "Special work," shall include the cost of only such guard rails as are used in connection with railroad crossings, cross-overs, frogs, switches, turn-outs, and other parts of the track made to order.

CASE 73.

Query. We are required by city ordinance to cut and restore overhead wires when it is necessary to move any building across or along our streets. Is this a charge proper to Operating Expenses or to Income?

Answer. Such expenses shall be charged to account No. 23, "Miscellaneous electric line expenses."

CASE 74.

Query. This company owns ferry slips at a wharf in connection with which we have considerable maintenance expenses. Should we charge to a subaccount under No. 19, "Miscellaneous way expenses," or to account No. 24, "Buildings, fixtures, and grounds"? At the end of the wharf are fuel-oil tanks for the operation of our ferry. Should we charge maintenance expenses to account No. 19, "Miscellaneous way expenses," or to account No. 24, "Buildings, fixtures, and grounds"?

Answer. Expenses of maintenance of ferry slips and ferry fuel-oil tanks shall be charged to account No. 24, "Buildings, fixtures, and grounds."

CASE 75.

Query. Is it necessary for a carrier operating a ferry to separate its general and miscellaneous operating expenses between the railway and the ferry?

Answer. No.

CASE 76.

Query. To what account should be charged tools other than track tools, such as wheelbarrows, hose, level boards, paving hammers, hydrant wrenches and reducers, mattocks, hand axes, rail tongs, etc., purchased for construction work?

Answer. These tools shall be charged to the construction work for use upon which they are issued. If after the completion of the work, the tools have any salvage value, it shall be credited to the work to which the tools were originally charged, and charged to the work to which the tools are thereafter applied. (See Cases 137 and 367.)

CASE 77.

Query. Kindly advise the proper distribution of—

(1) Trustees' commissions and fees for paying out bond interest on coupons, and expenses, including registrars' fees, connected with same.

(2) Cost of general audit of company's books by an audit company.

Answer. The items described should be charged as follows:

(1) To account No. 225, "Miscellaneous debits."

(2) To account No. 89, "Miscellaneous general expenses."

CASE 78.

Query. Is it intended that items properly chargeable to account No. 37, "Shop expenses," in the classification of operating expenses, are to remain as charged; or may they be distributed in the same manner as store expenses?

Answer. It is not intended that the items contained in account No. 37, "Shop expenses," shall be distributed to the various operating accounts benefited thereby. However, if any portion of shop expenses is properly chargeable

to Road and Equipment, such portion shall be deducted from account No. 37, "Shop expenses," since that account should represent only the portion chargeable to Operating Expenses.

CASE 79.

Query. Is there any objection to the creation of a reserve to take care of settlements of loss and damage claims filed by shippers of freight? The intention is to make charges of an arbitrary amount, so as to take care of claims of this nature during the period within which the damage is done.

Answer. There is no objection to including in operating expenses each month a proportion of the total amount which it is estimated will be necessary to expend on account of loss and damage claims, provided that the charges are adjusted annually so far as practicable.

CASE 80.

Query. To what account should be charged the salaries of clerks employed in compiling data and making out reports to public service commissions, State boards of tax commissioners, Federal departments, and others? To what account should be charged the salaries of engineers employed in compiling data in regard to way and structures for such reports?

Answer. The salaries of clerks shall be charged to account No. 84, "Salaries and expenses of general office clerks." The salaries of engineers shall be charged to account No. 1, "Superintendence of way and structures."

CASE 81.

Query. To what account should be charged amounts paid to the United States Government for the right to operate a line across a Government reservation?

Answer. If the cars have a private right of way over the Government reservation, the payments shall be charged to account No. 217, "Miscellaneous rents." If the line runs in a highway which is used by the public, the payments shall be charged to account No. 215, "Taxes assignable to railway operations." (See Cases 20 and 24.)

CASE 82.

Query. Frequently when streets upon which rails are laid are torn up for repairs it is necessary for passengers to change from cars on one side of the break in the street to cars on the other side, and men are stationed at the break to care for the cars, to assist the passengers if required, and to perform any other duties in connection therewith. The men employed for this work are not regular car-service employees. To what account should their wages be charged?

Answer. To account No. 66, "Miscellaneous car-service employees."

CASE 83.

Query. To what account should be charged the cost of filling land?

Answer. The cost of filling land, in the ordinary acceptation of the term, shall be added to the cost of the land. If, however, the filling is for the purpose of grading the roadbed, the cost shall be charged to account No. 504, "Grading."

CASE 84.

Query. A town, in granting a franchise for the construction of a new line on the streets, requires the railway company to set back the curbs and flagstones. The work is not necessary for the construction of the line, as there is plenty of room on the highway without setting back the curbs. To what account in the classification for road and equipment should such expenditures be charged?

Answer. Expenditures of this nature shall be charged to account No. 502, "Right of way." In case there is any paving to be done in connection with this work, the cost of such paving shall be charged to account No. 511, "Paving." (See Case 42.)

CASE 85.

Query. To what accounts should be charged items for—

(1) City assessment for street grade crossing our right of way, being our proportion for the right of way abutting on the street and extending back from the street.

(2) City assessment for new trunk sewer, being the amount charged us for our proportion based on right of way through the section served by the sewer.

(3) City assessment for new street pavement, being our proportion of paving inside and alongside our tracks on streets on which our track is laid, the streets not having been previously paved.

(4) Cost of installing new crossings when new streets are opened.

Answer. These items shall be charged as follows:

(1) To account No. 516, "Crossings, fences, and signs."

(2) To account No. 502, "Right of way." (See Case 161.)

(3) To account No. 511, "Paving." (See Cases 2 and 161.)

(4) To account No. 516, "Crossings, fences, and signs."

CASE 86.

Query. To what account should be charged the expense of an examination of titles of real property and other questions affecting the validity of an issue of bonds?

Answer. If such expense is incurred in connection with the issue of the bonds it shall be charged to account No. 418, "Discount on funded debt." and written off by charges to income account No. 222, "Amortization of discount on funded debt," over the life of the bonds, in accordance with the instructions in section 3, page 76, of the Uniform System of Accounts for Electric Railways.

If the expense has been incurred in connection with a suit to test the validity of the bond issue it shall be charged to account No. 86, "Law expenses."

CASE 87.

Query. A State assesses railway corporations each year a certain amount graduated on basis of capital stock. To what account should the assessment be charged?

Would this apply to a franchise assessment of a percentage of gross earnings, levied under city ordinance?

Would it apply to what is known as a license tax, levied by a city and based on a certain fixed charge per car for the number of cars operated in the city?

Answer. State taxes assessed against railway corporations, the amounts of which are graduated on a basis of capital stock, franchise taxes levied on operating revenues, and license taxes based on the number of cars operated in a city, shall be charged to income account No. 215, "Taxes assignable to railway operations."

CASE 88.

Query. By reason of the construction of a sewer in a street occupied by electric railway tracks, it becomes necessary to lay a temporary track around the break in the regular line in order to maintain the regular running schedule and avoid compelling the passengers to make a change of cars at that point. Should the cost of laying and removing the temporary track be charged to account No. 19, "Miscellaneous way expenses," or to account No. 67, "Miscellaneous car-service expenses"?

Answer. The cost of temporary track made necessary by the removal of tracks for the purpose of laying a sewer shall be charged to account No. 19, "Miscellaneous way expenses."

CASE 89.

Query. To what account should be charged the cost of putting in iron-pipe culverts for drainage purposes?

Answer. To account No. 515, "Bridges, trestles, and culverts," in the classification for road and equipment.

CASE 90.

Query. We are constructing a new power station which is to be operated by steam turbines. The water for the condensers in this station is to be obtained from a pool to be formed in a near-by river by a dam at or near the station. To what account should be charged the cost of the dam and the pipes conveying the water from the pool to the condensers?

Answer. The cost of the dam as well as the cost of the pipes used in conveying the water from the pool formed by the dam shall be charged to account No. 541, "Dams, canals, and pipe lines," in the classification for road and equipment.

CASE 91.

Query. To what account should be credited the proceeds of an annual tax voted to a carrier by the districts through which the carrier operates?

Answer. If the annual contribution is for the purpose of aiding in the construction or acquisition of property, the credit shall be made to account No. 426, "Grants in aid of construction." If it is made to meet an operating deficit, the credit shall be made to account No. 211, "Contributions from others."

CASE 92.

Query. To what account in the classification for road and equipment should be cleared rent and operation of equipment (rented locomotive, pile driver, etc., used in bridge and track work)?

Answer. Rent and operation of equipment shall be cleared to account No. 529, "Other expenditures—Way and structures," unless the expenses can be readily apportioned and included in the primary accounts to which the cost of the specific work is chargeable.

CASE 93.

Query. To what account should be credited revenue from express traffic handled under a contract with an express company, the railway company owning the cars and charging the express company on a mileage basis?

Answer. To account No. 105, "Express revenue," in the classification of operating revenues. The revenue received covers compensation for the handling of express traffic exclusively and should be treated accordingly, regardless of the arrangement or the basis upon which the compensation is fixed.

CASE 94.

Query. Would it be proper to charge to road and equipment account No. 508, "Special work," the cost of labor and material used in running a wire from a substation to several of our sidings for the purpose of turning on electric switch lights at said sidings by means of a switch at the substation?

Answer. No. The cost shall be charged to account No. 517, "Signals and interlocking apparatus," in the classification for road and equipment. However, it is not the intention that carriers should be required to capitalize insignificant amounts.

CASE 95.

Query. To what accounts should be charged the cost of maintenance and operation of machinery in air-compressor stations, used for charging storage tanks for air brakes?

Answer. The cost of maintenance shall be charged to account No. 86, "Shop equipment," and the cost of operation to account No. 67, "Miscellaneous car-service expenses."

CASE 96.

Query. To what accounts should be charged the cost of construction and maintenance of conduits and fixtures built from a compressor station, located a block or so away from the main line, to a point alongside of the track, the conduits being used for conveying the compressed air to be used on cars on account of air brakes?

Answer. The cost of construction shall be charged to account No. 536, "Shop equipment," in the classification for road and equipment, and the cost of maintenance to account No. 36, "Shop equipment," in the classification of operating expenses.

CASE 97.

Query. In a certain system of side-bracket construction, the trolley wire is suspended by a short wire attached to the bracket. Is this piece of wire a part of the bracket and so chargeable to account No. 20, "Poles and fixtures," or is it a span wire and so chargeable to account No. 22, "Distribution system"?

Answer. The wire is a part of the bracket, and the cost of maintenance shall be charged to account No. 20, "Poles and fixtures," in the classification of operating expenses.

CASE 98.

Query. Should not account 505, "Ballast," in the classification for road and equipment, provide for a separate account to cover ballast produced, as is provided in the classification of operating expenses?

Answer. If the entire cost of ballast produced is chargeable to Road and Equipment, it could be properly charged to account No. 505, "Ballast." If, however, the ballast produced is chargeable partly to Road and Equipment and partly to Operating Expenses, Note A, under account No. 2, "Ballast," in the classification of operating expenses, would apply. (See Case 381.)

CASE 99.

Query. Where track has been laid in an unimproved street under an ordinance which requires the carrier to pay its proportion of the paving when the city paves, should not this proportion be charged to account No. 511, "Paving," in the classification for road and equipment, even when the proportion is included in a special assessment and spread over a period of years?

Answer. Yes. (See Case 185.)

CASE 100.

Query. Should the cost of macadamizing a road or filling a dirt road up to the head of the rail be considered a paving cost and charged to account No. 511, "Paving," or should it be charged to account No. 510, "Track and roadway labor"?

Answer. For the cost of labor and material used in macadamizing, charge shall be made to account No. 511, "Paving"; for the cost of filling the dirt road between the tracks up to the head of the rail, charge for the material used shall be made to account No. 505, "Ballast," and charge for the labor shall be made to account No. 510, "Track and roadway labor."

CASE 101.

Query. Is it proper to charge account No. 515, "Bridges, trestles, and culverts," in the classification for road and equipment, with the cost of a trestle used to handle coal, when the coal is handled in the carrier's own cars and over its own road, and the trestle is used to secure sufficient elevation to dump the coal into coal pockets?

Answer. If the coal pocket is primarily for power plant or generating uses, the cost of the trestle shall be charged to account No. 539, "Power plant buildings." If the coal pocket can not be considered a part of the power plant, the cost of the trestle shall be charged to account No. 524, "Stations, miscellaneous buildings, and structures." (See Case 105.)

CASE 102.

Query. When rails are drilled at the mill for bonding and the cost is included in the price paid for the rails, should the entire cost be included in account No. 507, "Rails, rail fastenings, and joints," in the classification for road and equipment?

Answer. Yes.

CASE 103.

Query. To what account should be charged the amount of conductors' remittances stolen from a safe provided by a carrier?

Answer. To account No. 89, "Miscellaneous general expenses," in the classification of operating expenses.

CASE 104.

Query. When the general office is a part of the car house and occupies, say, the second story, how should the cost of the general office be charged?

Answer. The entire cost of the building shall be charged to account No. 523, "Shops and car houses," in the classification for road and equipment.

CASE 105.

Query. Should the cost of a coal pocket be charged to account No. 539, "Power plant buildings," in the classification for road and equipment, as a building used in power generation, or to account No. 523, "Shops and car houses," as a storehouse, or to account No. 524, "Stations, miscellaneous buildings, and structures," as a building not provided for otherwise?

Answer. If the coal pocket is primarily for power plant or generating uses, its cost shall be charged to account No. 539, "Power plant buildings." If the coal pocket can not be considered a part of the power plant, the cost shall be charged to account No. 524, "Stations, miscellaneous buildings, and structures." (See Case 101.)

CASE 106.

Query. To what account should be charged the cost of snowplows, such as nose plows, etc., attached to cars?

Answer. The cost of snowplows attached to cars shall be charged, under the classification for road and equipment, to account No. 530, "Passenger and combination cars"; No. 531, "Freight, express, and mail cars"; No. 532, "Service equipment"; or No. 534, "Locomotives," according to the class of equipment to which the attachments are made.

The cost of repairing snowplows attached to cars shall be charged, under the classification of operating expenses, to accounts No. 30, "Passenger and combination cars"; No. 31, "Freight, express, and mail cars"; No. 32, "Service equipment"; or No. 34, "Locomotives," according to the class of equipment to which the plows are attached.

CASE 107.

Query. To what account should be charged the cost of terminal houses erected to contain the apparatus necessary in connection with the change from high-tension overhead to underground line?

Answer. The cost of original installation shall be charged to account No. 544, "Transmission system," in the classification for road and equipment. The cost of repairs shall be charged to account No. 49, "Transmission system," in the classification of operating expenses.

CASE 108.

Query. When a substation attendant who has little or nothing to do, but must be on duty in case a circuit breaker goes out, also sells tickets, handles express, etc., and generally acts as station agent, must his wages be apportioned, and, if so, on what basis?

Answer. The wages of such an employee shall be apportioned among the accounts affected. It is not intended, however, to require an undue refinement of accounting in a matter of this kind.

CASE 109.

Query. When headlights, markers, etc., are cared for and handled at the general office, say a mile from the carhouse, and the man who does this work also handles baggage and express matter and acts as janitor of the building, must his wages be apportioned, and, if so, on what basis?

Answer. The wages of such an employee shall be apportioned, so far as practicable, among the accounts affected. If, however, the item is small and the circumstances are such that any one account could, with propriety, include the entire expense, it may be assigned thereto. (See Cases 55, 108, 181, and 187.)

CASE 110.

Query. A conductor on duty is stabbed by a drunken passenger without any fault or negligence whatever on the part of the carrier. He has been a faithful employee and it has been decided to pay him for the time lost during the resulting illness. Should the amount be charged to account No. 89, "Miscellaneous general expenses," or to account No. 92, "Injuries and damages"?

Answer. To account No. 92, "Injuries and damages." (See Cases 10, 52, 111, and 425.)

CASE 111.

Query. A conductor is knocked from a crowded running board of an open car while the car is passing close to a pile of building material of the existence of which he is well aware. No negligence on the part of the company is shown or claimed. He has been a faithful employee, and it has been decided to pay him for the time lost during the resulting illness. Should the amount be charged to account No. 89, "Miscellaneous general expenses," or to account No. 92, "Injuries and damages"?

Answer. To account No. 92, "Injuries and damages." (See Cases 10, 52, 110, and 425.)

CASE 112.

Query. To what account should be charged the cost of replacing a pavement taken up during construction work for the purpose of removing obstructions such as gas and sewer pipes? This paving is more or less removed from the paving described as the paving strip, extending approximately two feet beyond the outside rail and between the rails, and is not maintained by the street railway company.

Answer. The cost of replacing a pavement taken up during construction work for the purpose of removing obstructions such as gas and sewer pipe, shall be charged to account No. 511, "Paving," in the classification for road and equipment, whether or not such pavement is outside of the so-called paving strip maintained by the company in consequence of municipal requirements.

CASE 113.

Query. Is account No. 509, "Underground construction," in the classification for road and equipment, intended to include all labor in placing the material described, as well as the cost of material itself, including transportation?

Answer. Such labor shall not be included in account No. 509, "Underground construction," but shall be charged to account No. 510, "Track and roadway labor," in analogy with maintenance account No. 8, "Track and roadway labor."

CASE 114.

Query. Should the cost of labor incident to hauling track material from the storeroom to the place where it enters into construction be regarded as a part of the labor cost covered by account No. 510, "Track and roadway labor," in the classification for road and equipment?

Answer. Yes. (See Case 371.)

CASE 115.

Query. How should guard rails, walks, and railings along the tracks of elevated railways be classified?

Answer. Timber guard rails, footwalks, and railings along the tracks of elevated railways shall be charged to road and equipment account No. 514, "Elevated structures and foundations." The reason that track rails and ties are excluded from this account and put in separate accounts is that they can be used on other roadbeds. The timber work described is peculiar, however, to the elevated structure, and shall therefore be included in that account for the same reason that all parts of bridges and trestles, except track rails, cross ties, etc., are included in account No. 515, "Bridges, trestles, and culverts," in the same classification.

CASE 116.

Query. This company is desirous of keeping a subaccount, "Lighting system," under account No. 28, "Miscellaneous electric line expenses," to contain the cost of maintaining the lighting system on both the elevated and the subway lines. It is desired to show the cost of maintenance of the lighting system on both divisions in one account, which would not be possible if the cost of maintaining the lighting system of the subway and elevated were charged to accounts No. 13, "Tunnels and subways," and No. 14, "Elevated structures and foundations."

Answer. If the company is interested in showing the combined cost of maintaining the subway and elevated lighting systems it may keep an apportionment account to be cleared monthly, but it would destroy the uniformity sought if the account were to be kept as a regular operating account and thus show expenses that in the case of other companies would appear under accounts No. 13, "Tunnels and subways," and No. 14, "Elevated structures and foundations."

CASE 117.

Query. To what account should be charged the cost of building snow fences, as well as the expense of setting them up and removing them?

Answer. The first installation of snow fences shall be charged to road and equipment account No. 516, "Crossings, fences, and signs." After the first installation, the cost of repairing such fences, as well as the expense of setting them up and removing them, shall be charged to operating expense account No. 12, "Removal of snow and ice."

CASE 118.

Query. To what account should be charged expenses incident to the trial of an ejected passenger who shot and killed one of our trainmen, and burial expenses of said trainman paid by this company?

Answer. The expenses incident to the trial shall be charged to account No. 88, "Law expenses," and the burial expenses, if not paid from a relief association fund, shall be charged to account No. 92, "Injuries and damages."

CASE 119.

Query. To what account should be charged an assessment for constructing a new ditch by which this company is partly benefited? The road has been in operation for some time.

Answer. Provision is made for the cost of ditching roadway and of ditches for waterways in account No. 504, "Grading," in the classification for road and equipment. If the ditch to which you refer is along the public highway and is not made use of in the operation of the railroad, the amount of the assessment shall be charged to account No. 502, "Right of way," in the same classification.

CASE 120.

Query. To what account should be charged the cost of pieces of glass for fronts of headlights on cars? Is this charge the same as for globes and carbons, or is the glass considered as a repair rather than a supply?

Answer. Pieces of glass for fronts of headlights on cars shall be charged, under the classification of operating expenses, to account No. 30, "Passenger and combination cars"; No. 31, "Freight, express, and mail cars"; No. 32, "Service equipment"; or No. 34, "Locomotives," according to the class of equipment upon which the glass is used.

Globes and carbons used for headlights shall be charged to account No. 67, "Miscellaneous car-service expenses."

CASE 121.

Query. To what account should be charged the cost of sprinkling pavement of streets (other than pavement near tracks) in front of passenger and freight stations?

Answer. If the sprinkling in front of stations is performed by employees around the stations the labor shall be charged to account No. 68, "Station employees," and other expenses to account No. 69, "Station expenses." If the service is performed by outside parties, the entire expense shall be charged to account No. 69.

CASE 122.

Query. To what account should be charged the cost of tube cleaners and repair parts for removing scale from boiler tubes in boilers at power plants?

Answer. The cost of first installation of tube cleaners shall be charged to account No. 542, "Power plant equipment," in the classification for road and equipment. Replacements and repairs shall be charged to account No. 47, "Power plant equipment," in the classification of operating expenses.

CASE 123.

Query. To what account should be charged the cost of envelopes and bags used for filing canceled tickets turned in by conductors?

Answer. To account No. 94, "Stationery and printing."

CASE 124.

Query. To what account should be charged the cost of fire extinguishers which are to be installed in passenger and freight cars and in power stations?

Answer. The cost of first installation shall be charged to account No. 530, "Passenger and combination cars"; No. 531, "Freight, express, and mail cars"; No. 532, "Service equipment"; or No. 534, "Locomotives," in the classification for road and equipment, according to the class of equipment in which the fire extinguishers are installed. The cost of first installation in power plants shall be charged to account No. 542, "Power plant equipment," in the same classification. It is not intended, however, to require carriers to charge insignificant items to road and equipment accounts. (See Case 125.)

CASE 125.

Query. To what account should be charged the cost of renewing fire extinguishers used in passenger and freight cars and in power stations?

Answer. The cost of refilling fire extinguishers in cars shall be charged to account No. 67, "Miscellaneous car-service expenses," and in power plants to account No. 56, "Miscellaneous power plant supplies and expenses." The cost of replacing hand grenades shall be similarly charged. (*See Case 124.*)

CASE 126.

Query. To what account should be charged the cost of installing fire hose?

Answer. The cost of first installation of fire hose shall be charged to the same account under Road and Equipment as the building in which the hose is installed. It is not intended, however, to require carriers to charge insignificant items to road and equipment accounts.

CASE 127.

Query. To what account should be charged the cost of renewing or replacing fire hose?

Answer. To the account to which would be charged repairs to the building in which the hose is located.

CASE 128.

Query. To what account should be charged the expenses incurred on account of a remonstrance against constructing a new ditch along right of way?

Answer. To operating expense account No. 86, "Law expenses," if the remonstrance occurred after the commencement of operations; or to road and equipment account No. 546, "Law expenditures," if the remonstrance occurred during the construction period.

CASE 129.

Query. To what account should be charged the cost of services of an electric clock at a dispatcher's office for use in train service?

Answer. To account No. 63, "Superintendence of transportation."

CASE 130.

Query. To what account should be charged the cost of a reseating machine and repair parts, for grinding and cleaning caps for boiler tubes in power stations?

Answer. The cost of first installation of reseating machines for grinding and cleaning caps for boiler tubes in power plants shall be charged to account No. 542, "Power plant equipment," in the classification for road and equipment. Replacements and repairs shall be charged to account No. 47, "Power plant equipment," in the classification of operating expenses.

CASE 131.

Query. What accounts should be charged with the rent and the cost of maintenance and operation of a steam locomotive and other classes of equipment, such as work cars, etc., used in the construction of an electric railway? What disposition should be made of rental charges for time during which the equipment is lying idle on account of inclement weather?

Answer. The rent of such equipment held for use in construction, whether in use or idle, together with the cost of repairs and supplies used in its operation, shall be charged to the accounts in the classification for road and equipment that are benefited by the service, being apportioned among them on an equitable basis. When such expenses can not properly be included as a part of the cost of any specific work they shall be charged to account No. 520, "Other expenditures—Way and structures." (*See Case 92.*)

CASE 182.

Query. When cartage is included in the rates, what should be the accounting for receipts from and payments for cartage other than that for collection and delivery, mentioned in account No. 76?

Answer. When freight rates include cartage, the total amounts earned shall be credited to account No. 107, "Freight revenue," in the classification of operating revenues, and the amounts paid to a cartage agency for cartage in accordance with tariff provision shall be charged to the same account.

CASE 183.

Query. Should freight earnings be charged with amounts paid to other companies for the use of their cars?

Answer. Amounts paid to other companies for the use of their cars shall be charged to account No. 98, "Rent of equipment," in the classification of operating expenses, and not to the revenue account benefited by the use of the cars. (*See Case 13.*)

CASE 184.

Query. A company is called upon by the various municipalities through which it operates to pay for street improvements, either by assessments levied by municipal authority or by payments to contractors in accordance with city ordinances. Is the initial cost of street paving, sidewalks, curbs, gutters, etc., chargeable to Operating Expenses or to Road and Equipment?

Are payments for improvements of the above nature made in connection with depots and depot grounds chargeable to account No. 502, "Right of way," or account No. 503, "Other land used in electric railway operations," in the classification for road and equipment?

Answer. The initial cost of street pavements, sidewalks, curbs, gutters, etc., is chargeable to road and equipment accounts. Expenditures of this nature within the limits of depots and depot grounds shall be charged to account No. 524, "Stations, miscellaneous buildings, and structures," except that the cost of all paving about tracks and special work, when incident to track construction, shall be charged to account No. 511, "Paving," whether in the public way or upon grounds used in connection with depots or depot grounds. (*See Cases 42, 84, and 236.*)

CASE 185.

Query. To what account should be charged the cost of land acquired for station and terminal grounds and for shops and power houses?

Answer. The cost of such land shall be charged to account No. 503, "Other land used in electric railway operations."

CASE 136.

Query. To what account should be charged insurance premiums paid on construction material or on equipment or structures under construction?

Answer. Insurance premiums paid on construction material or on equipment or structures under construction shall be charged to specific accounts when they can be allocated to such accounts; otherwise to account No. 550, "Miscellaneous," in the classification for road and equipment.

CASE 137.

Query. What account should be charged with the cost of a steam shovel used in the construction of an electric railway?

Answer. If, as is assumed, the steam shovel is to be used in grading, its cost shall be charged to account No. 504, "Grading," in the classification for road and equipment. If the steam shovel is sold after the completion of the grading, the proceeds from the sale shall be credited to account No. 504. If, however, it is retained and used, account No. 504 shall be credited with the inventory value at the completion of the grading, and account No. 532, "Service equipment," charged, provided the steam shovel is permanently mounted on a car. In case it is not so mounted, account No. 512, "Roadway machinery and tools," shall be charged. (See Cases 76 and 367.)

CASE 138.

Query. Under a joint arrangement, practically all the scrap material of several companies controlled by the same interests is sold under contract to a single purchaser. The contract provides that the scrap shall be cleaned, packed, if necessary, shipped to a designated point, and delivered to the purchaser at prices fixed in the contract. Should the cost of cleaning, cutting up, collecting, and packing, and amounts paid for cartage and freight be charged to account No. 95, "Store expenses," in the classification of operating expenses?

Answer. Account No. 95, "Store expenses," provides for the cost of collection of scrap material, but it is not intended that this account should include the cost of cleaning and cutting up scrap material, or of packing and shipping it to the point where it is sold. Such expenses shall be deducted from the amounts received from the sale of the scrap material.

CASE 139.

Query. The property of a railway company suffered considerable damage by floods. Temporary repairs were made to permit the operation of trains over the damaged portion, it being deemed advisable to postpone permanent repairs on account of the approach of winter. During the following year the damaged property was restored to a condition equal to that before the flood. May a reserve be set up through charges to Operating Expenses of the flood year to provide for the repair of the property damaged?

Answer. If the cost of the permanent repairs proposed can be approximately determined, there is no objection to charging Operating Expenses each month with a proportion of the cost of such repairs, with the understanding that such charges shall be adjusted to the basis of actual expenditures as soon as the work is completed. The amounts charged to Operating Expenses for this purpose shall be carried in a reserve, against which the cost of the repairs shall be charged as they are made.

CASE 140.

Query. To what account should be charged the cost of current purchased from another company to supply electric-light clusters at stopping points along the line, not stations?

Answer. To account No. 59, "Power purchased." (See Case 165.)

CASE 141.

Query. A company owns tracks but no cars or power house. To operate the road, cars and power are obtained from another company at the rate of 3 cents per car-mile for both cars and power. How should amounts thus paid be treated?

Answer. They shall be apportioned between account No. 98, "Rent of equipment," and account No. 59, "Power purchased."

CASE 142.

Query. The tracks and equipment of a dummy freight line owned by a street railroad are leased to a steam road for exclusive use, the steam road maintaining and operating the line. Should the street railroad include the yearly rent received under revenue account No. 115, "Rent of tracks and facilities," or in the Income Account?

Answer. The amount of rent received as described above shall be included under account No. 203, "Income from lease of road."

CASE 143.

Query. An electric railway is operated in three divisions; the first division including the lines in two cities, A and B, separated by a river; the second division including the lines in a third city, C; and the third division including an interurban line, 22 miles in length, connecting B and C. The main supply depot is at A. Would it be proper to credit the revenues of the interurban line and charge the expenses of the lines in C with freight charges on company material and supplies carried from B to C to be used in C?

Answer. Under the Uniform System of Accounts it is not proper for a carrier to include in its operating revenues freight charges for the transportation of company material and supplies for the maintenance and operation of its property.

CASE 144.

Query. Should an electric railway company whose line is under construction, no part of it having been completed and no cars having been run, open any account for operating expenses, or should it charge all expenditures to construction accounts?

Answer. It is not proper to open any account for operating expenses before cars are run in revenue service. All expenditures in connection with the construction of a road shall be charged to the accounts prescribed in the classification for road and equipment.

CASE 145.

Query. Several cars of coal were purchased by a road under construction, to be held for use for generating purposes in the power house after operations are begun. To what account should be charged the cost of the coal?

Answer. The cost of coal purchased for use after the beginning of operations shall be charged to a fuel account under balance-sheet account No. 411, "Material and supplies." This account shall be credited and the appropriate operating expense accounts shall be charged as the coal is used.

CASE 146.

Query. To what account should be charged an amount paid to a city for permission to open a pavement in order to repair joints, relay rails, etc.? The pavement is in good condition and the amount of the payment covers the estimated cost of replacing it.

Answer. The cost shall be charged to account No. 10, "Paving," in the classification of operating expenses.

CASE 147.

Query. To what account should be charged the wages of pilots directing the operation of a company's own cars by crews not familiar with certain divisions of the line, or directing the operation of cars of another company by their own crews?

Answer. Pilots as described above shall be considered trainmen and their wages charged to operating expense account No. 64, "Passenger conductors, motormen, and trainmen," or account No. 65, "Freight and express conductors, motormen, and trainmen," according to the service in which they are engaged.

CASE 148.

Query. To what account should an electric railway company credit an amount received from another company for the privilege of running cars over a portion of its line, the first company furnishing the power and pilots to direct the movement of the cars, which are furnished and operated by the second company?

Answer. The amount received for such a privilege shall be credited to revenue account No. 115, "Rent of tracks and facilities," with the exception of the portion of the amount applicable to the wages of the pilots, which shall be credited to the account to which the wages are charged.

CASE 149.

Query. What account is chargeable with the cost of telephone service, including both tolls and rents, in stations for agents' use in reaching patrons of the line, and in the offices of the operating officers?

Answer. Payments for local telephone service for agents' use in reaching patrons shall be charged to account No. 69, "Station expenses." Payments for telephone service in the offices of operating officers shall be charged to account No. 73, "Operation of telephone and telegraph lines." Payments for telephone service in connection with the general management of the company shall be charged to account No. 89, "Miscellaneous general expenses."

CASE 150.

Query. A passenger holding a ticket is ejected from an electric railway company's car and enters suit against the company for damages. To what account should the amount of the damages awarded be charged?

Answer. Damages awarded to a passenger on account of his ejection from a car shall be charged to account No. 92, "Injuries and damages," in the classification of operating expenses.

CASE 151.

Query. An electric railway company owns five automobiles, one used by the president, one by the general superintendent, one by the superintendent of maintenance of way, and the other two by linemen. What accounts should be charged with the garage expenses, including the wages of men in charge; with the cost of gasoline, oil, and waste used in the machine; and with the cost of material used in making repairs?

Answer. The garage expenses, including the wages of the men in charge, and the cost of gasoline, oil, and waste used in connection with automobiles, shall be charged to account No. 96, "Garage and stable expenses." The cost of repairs shall be charged to account No. 38, "Vehicles and horses."

CASE 152.

Query. To what account should be charged the cost of a concrete foundation for tracks when forming part of a pit in a carhouse or in a yard?

Answer. Assuming that the pit is built to facilitate the housing and maintenance of equipment, the cost of the foundation put in for tracks in building a pit in a carhouse shall be considered a part of the cost of the carhouse, and so charged to account No. 523, "Shops and carhouses," in the classification for road and equipment.

A pit in a yard is presumably built to facilitate the examination and repair of equipment and shall be considered a miscellaneous structure, the cost of which is chargeable to account No. 524, "Stations, miscellaneous buildings, and structures."

A pit constructed to facilitate the change between the underground and the overhead electric contact system shall be considered as underground construction.

CASE 153.

Query. An electric railway company expects to engage in the power and light business. Is it proper to charge the various accounts in the classification for road and equipment with the cost of installation of additional units in the power house, and the cost of pole lines and feeder lines? If this is not permissible, will it be satisfactory to have one balance sheet to cover both the railway business and the power and light business?

Answer. It is proper to include the cost of additional units in the power house and of pole lines and feeder lines in the accounts provided in the classification for road and equipment. One balance sheet is sufficient for the entire business.

CASE 154.

Query. What rates of depreciation should be applied to the different portions of an electric railway's plant? Should the principle of depreciation be applied in the case of each of the 50 classes of construction covered by the accounts prescribed in the classification for road and equipment?

Answer. The Interstate Commerce Commission requires of electric railway companies subject to its jurisdiction depreciation accruals only on equipment covered by accounts Nos. 530 to 535, inclusive. Provision is made in the classification of operating expenses for three depreciation accounts. The use of account No. 40, "Depreciation of equipment," is mandatory. The use of accounts No. 25, "Depreciation of way and structures," and No. 50, "Depreciation

of power plant buildings and equipment," is optional with the carrier. (*See section 14, page 19, of the Uniform System of Accounts for Electric Railways.*)

The question as to rates of depreciation to be used is one which each carrier must determine for itself. The Interstate Commerce Commission has issued no order fixing such rates.

CASE 155.

Query. What account should be credited with discounts allowed by manufacturers for payment, within specified times, of bills for material purchased?

Answer. Discounts allowed for the prompt payment of bills for material purchased shall be credited to the accounts to which the original invoices are charged.

CASE 156.

Query. To what revenue account should be credited receipts for the transportation of newspapers on passenger cars? Newspaper stamps are sold at fixed rates per 100 pounds and affixed to the packages to indicate their weight and the fact that prepayment has been made.

Answer. To account No. 105, "Express revenue," in the classification of operating revenues.

CASE 157.

Query. What accounts should be charged with the cost of maintenance of a bonding car and its electric equipment?

Answer. A bonding car shall be considered a car rather than a tool. The cost of its maintenance shall be charged to account No. 82, "Service equipment," and the cost of maintenance of its electric equipment to account No. 38, "Electric equipment of cars," in the classification of operating expenses. It is understood that "electric equipment" as here used includes only the electric motive equipment and wiring.

CASE 158.

Query. What account should be charged with the cost of installing a creosoting plant for the purpose of treating poles, ties, cross arms, etc., used for both maintenance and construction work?

What account should be charged with the maintenance of such a plant?

Should the cost of labor and supplies used in the operation of the plant be distributed to the maintenance and construction accounts?

Answer. The original cost of the creosoting plant shall be charged to road and equipment account No. 536, "Shop equipment."

The cost of maintaining the creosoting plant shall be charged to operating expense account No. 36, "Shop equipment." The cost of labor and supplies used in the creosoting plant shall be included upon an equitable basis in the cost of the material treated.

CASE 159.

Query. What account should be charged with the cost of electric meters installed by an electric railway on the premises of customers to whom current is furnished for power and light?

Answer. The cost of meters installed on customers' premises shall be included in account No. 521, "Distribution system," in the classification for road and equipment.

If desired, appropriate subaccounts may be opened for the purpose of keeping separate from railway accounts the investment in and maintenance of meters installed on the premises of customers of the power and light department.

CASE 160.

Query. What account should be charged when conductors are given relief from charges for shortages shown by register readings and credited to "Passenger revenue"? The relief is granted as the result of investigation or at the request of the superintendent on account of operating conditions.

Answer. "Passenger revenue" shall be charged, as the amounts in question were previously credited to it.

CASE 161.

Query. What account should be charged with the amount assessed against a street railway for paving and a sewer? As the work is done for the city by contract, the actual cost can not be determined for either the paving or the sewer.

Answer. The amount of the assessment shall be apportioned as equitably as may be between account No. 511, "Paving," and account No. 502, "Right of way," in the classification for road and equipment. (See Cases 2, 85, and 396.)

CASE 162.

Query. As a condition to permission to place double tracks in subways under the tracks of steam roads, a company was required by ordinance to change the grade on a street in another part of the city.. Should the cost of the work on the city street, such as, the changing of the grade, curbing, etc., be charged to account No. 502, "Right of way," in the classification for road and equipment?

Answer. Yes. (See Case 349.)

CASE 163.

Query. To what account should a street railway company charge periodical payments to a city for the privilege of operating cars and stringing wires over a bridge crossing a river?

Answer. To account No. 215, "Taxes assignable to railway operations."

CASE 164.

Query. To what account should be charged fees of witnesses and others appearing for a motorman and conductor at a coroner's inquest, occasioned by an accident?

Answer. To account No. 92, "Injuries and damages," in the classification of operating expenses.

CASE 165.

Query. Should account No. 59, "Power purchased," in the classification of operating expenses include the cost of all power purchased for use in connection with the operation of a line, or of only the amount actually used for the propulsion of cars? A considerable portion of the power purchased is used in lighting cars and car barns and in operating track cranes, etc.

Answer. The entire cost of power purchased shall be charged to account No. 59, "Power purchased." (See Case 140.)

CASE 166.

Query. To what account should be charged the cost, which is small, of loading and unloading cinders used in filling ground around a power plant and car barns?

Answer. To operating expense account No. 24, "Buildings, fixtures, and grounds," or No. 46, "Power plant buildings, fixtures, and grounds," as may be appropriate. (*See Case 289.*)

CASE 167.

Query. To what account should be charged the cost of dry batteries required for telephone instruments?

Answer. If the telephones are used primarily in the operation of cars, the cost of dry batteries required shall be charged to account No. 73, "Operation of telephone and telegraph lines"; if for local telephone service at stations they shall be charged to account No. 69, "Station expenses"; if in connection with the general management of the company they shall be charged to account No. 89, "Miscellaneous general expenses." (*See Cases 68 and 149.*)

CASE 168.

Query. To what account should be charged the cost of rubber bands used by conductors in sorting and bunching tickets lifted?

Answer. To account No. 94, "Stationery and printing."

CASE 169.

Query. To what account should be charged the cost of sleet cutters and sleet-cutter wheels?

Answer. The first cost shall be charged to account No. 533, "Electric equipment of cars," in the classification for road and equipment. The cost of repairing and replacing sleet cutters and sleet-cutter wheels shall be charged to operating expense account No. 33, "Electric equipment of cars."

CASE 170.

Query. To what account in the classification of operating revenues should be credited receipts for the transportation of corpses?

Answer. To account No. 101, "Passenger revenue."

CASE 171.

Query. An electric railway company does repair work for a steam road, rendering a bill for the actual labor and material used and for the service of a motor work car at a certain rate per car-mile. To what account should be credited the amount charged for the service of the work car?

Answer. To revenue account No. 109, "Miscellaneous transportation revenue."

CASE 172.

Query. A traction company engaged in construction was sued by a gas company for damages to the latter's pipe line along and across the former's right of way. To what account should the traction company charge the amount of damages awarded and the costs?

Answer. To account No. 502, "Right of way," in the classification for road and equipment.

CASE 173.

Query. To what account should be charged the cost of velocipedes and of hand and push cars for use on an electric railway?

Answer. The cost of first installation shall be charged to account No. 512, "Roadway machinery and tools," in the classification for road and equipment. The cost of repairs and renewals shall be charged to operating expense account No. 9, "Miscellaneous track and roadway expenses."

CASE 174.

Query. In cases where repairs are necessitated by the failure of concrete base for ballast, should the cost of tearing up and replacing paving be charged to "Ballast" or to "Paving"?

Answer. The cost of tearing up and replacing paving in connection with such repairs shall be charged to account No. 10, "Paving," in the classification of operating expenses.

CASE 175.

Query. An electric railway company has rented space for its transmission line in another company's subway. To what account should be charged the rent paid?

Answer. To operating expense account No. 49, "Transmission system."

CASE 176.

Query. To what account should be charged the cost of a stationary crushing plant located in a stone quarry and used by an electric railway in the production of ballast for maintenance?

Answer. To account No. 512, "Roadway machinery and tools," in the classification for road and equipment.

CASE 177.

Query. To what account should be charged the cost of gage glasses and gage-glass preservers?

Answer. The cost of first installation shall be charged to account No. 542, "Power plant equipment," in the classification for road and equipment; and the cost of repairs and replacements to account No. 47, "Power plant equipment," in the classification of operating expenses.

CASE 178.

Query. To what account should be credited the revenue from the transportation of dogs?

Answer. If the dogs are carried as baggage in baggage cars the revenue shall be credited to account No. 102, "Baggage revenue"; if carried as express, to account No. 105, "Express revenue"; if carried by an urban road which does not make a practice of carrying either baggage or express matter the credit shall be to account No. 109, "Miscellaneous transportation revenue."

CASE 179.

Query. To what account should be charged the expenses of a general manager, whose duties include those of passenger and freight agent, while attending public associations?

Answer. To account No. 83, "Salaries and expenses of general officers," in the classification of operating expenses.

CASE 180.

Query. What account should be charged for labor unloading coal at car houses for use in car stoves?

Answer. The cost of unloading shall be added to the cost of the fuel. If, however, the work of unloading is done by regular car house operating employees it is not necessary to charge a portion of their wages to the cost of the fuel.

CASE 181.

Query. To what account should be charged the cost of labor unloading coal at a power plant?

Answer. The cost of unloading shall be added to the cost of the fuel. If, however, the work of unloading is done by regular power plant operating employees it is not necessary to charge a portion of their wages to the cost of the fuel. (*See Cases 55, 109, and 180.*)

CASE 182.

Query. A company operating its line with gasoline motor cars has adopted the classification prescribed for electric railways. What account should be charged with the cost of repairs to engine, transmission, or ignition parts? What account should be charged with the cost of batteries, spark plugs, connecting wire and terminals, electrolyte for storage batteries, etc.?

Answer. The cost of repairs to the motor features of gasoline motor cars shall be charged to account No. 84, "Locomotives" (preferably in a subaccount), and the cost of repairs to the car features of such motor cars shall be charged to account No. 30, "Passenger and combination cars"; account No. 81, "Freight, express, and mail cars"; or account No. 32, "Service equipment," as may be appropriate.

The cost of repairs or renewals of batteries, spark plugs, connecting wire and terminals, electrolyte for storage batteries, and other appliances for the motive power of such cars shall be charged to account No. 34, "Locomotives," (preferably in a subaccount). (*See Case 4.*)

CASE 183.

Query. A practically new car was destroyed in a wreck, the salvage amounting to a few hundred dollars. What disposition should be made of the loss and the salvage?

Answer. The road and equipment account to which the cost of the car was originally charged shall be credited with the ledger value of the equipment destroyed, and the amount of the credit shall be concurrently charged as follows:

The value of the salvage shall be charged to "Material and supplies"; account No. 443, "Accrued depreciation—Road and equipment," shall be charged with the amount carried therein in connection with the equipment destroyed; the amount of depreciation prior to July 1, 1914, not previously written off; shall be charged to Profit and Loss; and the remainder of the credit shall be charged to operating expense account No. 41, "Equipment retired."

CASE 184.

Query. A city proposes to repave its streets with improved materials and the street railway company is required by the terms of its franchise to repave its strip at the same time and with the same kind of material. Would it be proper to charge the cost of the new paving to account No. 511, "Paving," in the classification for road and equipment?

Answer. The excess cost of the new paving over the cost of the original paving shall be charged to road and equipment account No. 511, "Paving," and the remainder, including the cost of removing old paving, to operating expense account No. 10, "Paving."

CASE 185.

Query. A street railway line was constructed in unpaved streets, and after the line had been in operation for a number of years the city decided to pave. To what account should be charged the railway's share of the cost of paving?

Answer. To account No. 511, "Paving," in the classification for road and equipment. (See Case 99.)

CASE 186.

Query. An electric railway obtained permission to increase its capital stock by \$500,000. Of this increase \$250,000 was authorized and issued for the specified purpose of a 25 per cent stock dividend, but the remaining \$250,000 was not authorized for any specific purpose and was not issued. Should the entry in the general ledger be made to cover more than the \$250,000 authorized and issued?

Answer. No. Capital stock shall be considered as issued only when the certificates are signed and sealed and placed with the proper officer for sale or delivery.

CASE 187.

Query. Should any charge be made to account No. 63, "Superintendence of transportation," for the services of agents and substation men used to some extent in dispatching trains and in delivering dispatchers' orders to train crews?

Answer. No charge shall be made to the superintendence account for such incidental service. (See Cases 55 and 109.)

CASE 188.

Query. An electric railway company proposes to furnish electric current for lighting some small towns along its line, also to furnish power for the operation of several manufacturing plants. How should the revenues and expenses be handled?

Answer. If a general power and light business is to be undertaken in connection with the railway business, it should be treated as an auxiliary operation. The several accounts entitled "Other operations—Cr." in the classification of operating expenses shall be used to exclude from the total of each general account the portion of expenses that is not applicable to the railway business, these expenses being charged to account No. 214, "Auxiliary operations—Expenses." The revenues from the power and light business shall be credited to account No. 202, "Auxiliary operations—Revenues." (See Cases 7, 28, 198, 300, 362, and account No. 118.)

CASE 189.

Query. To what accounts should be charged the cost of applying a new form of coupler to motor cars to be used in connection with trailers?

Answer. Such cost should ordinarily be charged to operating expense account No. 30, "Passenger and combination cars"; account No. 31, "Freight, express, and mail cars"; or account No. 32, "Service equipment," according to the class of equipment to which the couplers are applied.

If the couplers applied are heavier or of an improved type, and the cost is considerable, the excess cost of the new couplers over the original cost of those removed shall be charged to the proper account in the classification for road and equipment.

CASE 190.

Query. To what account should be charged the cost of additions to a small plant operated by a railway company to furnish power for lighting in one of the towns on its line?

Answer. The cost of additions to the machinery and equipment of the plant shall be charged to account No. 542, "Power plant equipment," and of additions to the building to account No. 539, "Power plant buildings," in the classification for road and equipment.

CASE 191.

Query. To what account should be charged the cost of cutting trees and removing stumps from the right of way of an electric railway?

Answer. To account No. 504, "Grading," in the classification for road and equipment.

CASE 192.

Query. Ties are frequently purchased some time in advance of their actual use in track work. Should their cost be charged to Operating Expenses in the month in which payment is made or in the month in which they are put in the track?

Answer. The cost of ties shall be charged to a material account at the time of purchase. This account shall be credited and operating expense account No. 3, "Ties," charged from month to month with the value of the ties put in the track.

In order that the cost of renewing ties may be distributed to the 12 months of the year, there would be no objection to charging the operating expense account "Ties" each month with its proportion of the total amount authorized or approximated for renewals during the fiscal year, regardless of the month in which the actual renewals are made, but the account shall be adjusted at the end of the year to the actual expenditures during the year.

In this connection note that equalization accounts Nos. 28, 44, and 51 have been provided for the convenience of carriers desiring to have each month's operating expenses reflect, by general account totals, an equitable proportion monthly of the estimated or authorized maintenance expenses for the year and show at the same time actual expenditures by primary accounts.

CASE 193.

Query. In the construction of a street railway it is necessary to team rails from a yard to the street in which they are to be laid. To what account should be charged the cost of such teaming and the cost of unloading the rails in the street?

Answer. To account No. 510, "Track and roadway labor," in the classification for road and equipment.

CASE 194.

Query. An electric railway company operating a line crossing a county bridge is required by the terms of its franchise to pay part of the cost of strengthening the bridge. To what account or accounts should be charged the amount paid?

Answer. The cost of the portion of the work properly considered as betterments to the bridge shall be charged to road and equipment account No. 502, "Right of way," and the remainder to operating expense account No. 15, "Bridges, trestles, and culverts."

CASE 195.

Query. To what account should be charged the cost of repairs to a high smokestack at a power plant?

Answer. The cost of repairs to a smokestack which forms a part of the power plant shall be charged to operating expense account No. 46, "Power plant buildings, fixtures, and grounds."

CASE 196.

Query. When equipment of the type ordinarily installed in substations is installed in a power plant building, should its cost be charged to road and equipment account No. 542, "Power plant equipment," or to No. 543, "Substation equipment"?

Answer. If the equipment is for use in connection with power generated in the same power plant, its cost shall be charged to account No. 542, "Power plant equipment." If it is to transform power generated elsewhere, its cost shall be charged to account No. 543, "Substation equipment."

CASE 197.

Query. Should operating revenue account No. 103, "Parlor, sleeping, dining, and special car revenue," be credited with revenue derived from the operation of cars of the ordinary type on special or extra trips to handle an increase in traffic?

Answer. No; but the revenue from cars furnished for private use under special arrangement shall be credited to that account.

CASE 198.

Query. To what accounts should be charged the first cost and the cost of maintenance of a lighting plant operated in connection with an electric railway?

Answer. The first cost of the building for such a plant shall be charged to road and equipment account No. 539, "Power plant buildings," and the first cost of machinery and other equipment to account No. 542, "Power plant equipment." The first cost of the distribution system shall be charged to account No. 521, "Distribution system," and the first cost of the transmission system to account No. 544, "Transmission system."

All expenses in connection with the maintenance and operation of the light plant shall be included in the appropriate railway primary accounts under the general account Power, and if the light department is conducted as an auxiliary operation an equitable proportion of such expenses shall be charged to the light department through account No. 214, "Auxiliary operations—Expenses," and corresponding credit made to account No. 62, "Other operations—Cr."

If the light business is small in amount and is not accounted for as an auxiliary operation, the cost of maintaining and operating the light plant shall be included in the appropriate railway operating expense accounts. (See Cases 28, 188, 300 and 362.)

CASE 199.

Query. To what account should be charged the loss from the operation of a hotel for the accommodation of employees, some being engaged in construction and some in transportation operation?

Answer. The net cost shall be apportioned between account No. 529, "Other expenditures—Way and structures," or No. 550, "Miscellaneous," as may be appropriate, and account No. 78, "Other transportation expenses," in the classification of operating expenses; or, if the amount is considerable, it may be divided among the various accounts affected.

CASE 200.

Query. To what account should be charged the cost of material for seats and sides purchased for use in converting open cars into closed cars?

Answer. Account No. 530, "Passenger and combination cars," in the classification for road and equipment, shall be charged with so much of the cost of converting open cars into closed cars as represents the excess value of the closed cars over the cost of the open cars. The remainder of the cost shall be charged to account No. 30, "Passenger and combination cars," in the classification of operating expenses.

CASE 201.

Query. To what accounts should be charged payments made to the Transcontinental Freight Bureau for the salaries of weighmasters located at various points on a railway's line?

Answer. To account No. 68, "Station employees."

CASE 202.

Query. What is the distinction between account No. 515, "Bridges, trestles, and culverts," and account No. 516, "Crossings, fences, and signs," in the classification for road and equipment, with reference, for instance, to the accounting for the cost of building an undergrade crossing for a highway?

Answer. Account No. 515, "Bridges, trestles, and culverts," shall include the cost of the structure (including foundations and abutments) built to carry the railway track over the highway, while the cost of the roadway passing under the bridge, including the cost of labor and material used in constructing the roadway and the cost of drainage arrangements and excavation, shall be charged to account No. 516, "Crossings, fences, and signs."

CASE 203.

Query. To what account should be charged the cost of new copper trolley wire stolen from the storehouse but recovered after being cut into short lengths?

Answer. The cost of the wire, less the value of scrap recovered, shall be charged to operating expense account No. 95, "Store expenses."

CASE 204.

Query. Should the cost of constructing commercial power lines for power and light business in connection with a railway be included in the accounts prescribed in the classification for road and equipment?

Answer. Yes.

CASE 205.

Query. To what accounts should be charged and credited amounts paid and received in the redemption of transfers issued by two connecting electric railways?

Answer. The transfer arrangement is in effect a division of revenues for through service. The amounts paid to another company for the redemption of transfers shall be charged to account No. 101, "Passenger revenue" in the classification of operating revenues, and the amounts received shall be correspondingly credited to the same account.

CASE 206.

Query. To what account should be charged the cost of repairs and replacements of watchmen's portable clocks used in a carhouse and the cost of paper dials used in such clocks?

Answer. The cost of repairs and replacements of such clocks shall be included in operating expense account No. 71, "Carhouse expenses," and the cost of the paper dials in account No. 94, "Stationery and printing."

CASE 207.

Query. To what account should be charged the amount assessed against an electric railway company for first cost of dredging a stream so as to drain towns and lands along said stream?

Answer. To road and equipment account No. 502, "Right of way," (See Case 119.)

CASE 208.

Query. To what account should be charged the rent of coal pockets for storing coal for use of power plants?

Answer. To account No. 56, "Miscellaneous power plant supplies and expenses."

CASE 209.

Query. To what account should be charged the cost of oil cans and other such devices for use by employees of various departments?

Answer. The cost of oil cans and such devices shall be charged to operating expense account No. 56, "Miscellaneous power plant supplies and expenses"; No. 58, "Substation supplies and expenses"; No. 71, "Carhouse expenses"; No. 37, "Shop expenses"; No. 23, "Miscellaneous electric line expenses"; No. 67, "Miscellaneous car-service expenses"; or No. 69, "Station expenses," according to the use for which they are intended.

CASE 210.

Query. To what accounts should be charged the first cost and the cost of repairs and renewals of trolley retrievers and catchers?

Answer. The first cost shall be charged to road and equipment account No. 530, "Passenger and combination cars"; No. 531, "Freight, express, and mail cars"; No. 532, "Service equipment"; or No. 534, "Locomotives," according to the class of equipment fitted with the devices.

The cost of repairs and renewals shall be charged to operating expense account No. 30, "Passenger and combination cars"; No. 31, "Freight, express, and mail cars"; No. 32, "Service equipment"; or No. 34, "Locomotives," as may be appropriate.

CASE 211.

Query. To what account should be charged the cost of transformer oil for use in power plants or substations?

Answer. The first cost shall be charged to road and equipment account No. 542, "Power plant equipment," if the oil is for use in a power plant, or to account No. 543, "Substation equipment," if for use in a substation. The cost of renewals shall be charged to operating expense account No. 47 or No. 48, as may be appropriate.

CASE 212.

Query. To what account should be charged the cost of flowers and shrubs, the cost of labor for planting them about various buildings, and the cost of mowing lawns?

Answer. To operating expense account No. 24, "Buildings, fixtures, and grounds," No. 46, "Power plant buildings, fixtures, and grounds," or No. 71, "Carhouse expenses," as may be appropriate. If, however, the amounts involved are small and the work is done by employees of the Company as incidental to their regular duties, it is not necessary to apportion the pay of such employees.

CASE 213.

Query. To what account should be charged a license fee paid in accordance with the State law relating to inspection?

Answer. To account No. 89, "Miscellaneous general expenses."

CASE 214.

Query. To what account should be charged the cost of a car body constructed for use as a portable substation?

Answer. Assuming that the car body in question is mounted on trucks as a car, the cost of its construction shall be charged to account No. 543, "Substation equipment."

CASE 215.

Query. To what account should be charged the wages paid by an electric railway to the crews of steam locomotives used in switching freight cars at terminals?

Answer. To operating expense account No. 65, "Freight and express conductors, motormen, and trainmen."

CASE 216.

Query. To what account should be charged the cost of renewals of lamp cord, electric lamps, sockets, and switches used in carhouses, shops, power plants, substations, freight stations, and passenger stations?

Answer. To operating expense account No. 71, "Carhouse expenses"; No. 37, "Shop expenses"; No. 56, "Miscellaneous power plant supplies and expenses"; No. 58, "Substation supplies and expenses"; or No. 69, "Station expenses," according to the place where the articles are used.

CASE 217.

Query. A city builds a new bridge of sufficient strength to carry heavy cars. A railway company extending its lines over it is asked to pay the excess cost of the bridge over that of one built for ordinary highway travel only. To what account should the railway company charge such a payment?

Answer. To account No. 502, "Right of way," in the classification for road and equipment. (See Case 194.)

CASE 218.

Query. An electric railway company is having a branch line built by contract for a lump sum, payment being made each month for the estimated portion of the work completed. No distribution of expenditures is furnished to the railway company. Should the entire cost of the branch line be included in account No. 527, "Cost of road purchased," in the classification for road and equipment?

Answer. It would be preferable to have the detailed distribution made of the amounts paid among the several primary accounts of the classification for road and equipment as the work is done; otherwise the entire cost may be charged to account No. 527, "Cost of road purchased," and cleared in accordance with the provisions of the text of this account.

CASE 219.

Query. To what account should be charged receivers' allowances and expenses?

Answer. To operating expense account No. 83, "Salaries and expenses of general officers," except that expenses incurred for legal services shall be charged as indicated in the text of account No. 86, "Law expenses."

CASE 220.

Query. To what account should be charged counsel fees paid for the preparation of the legal papers required in the merger of one electric railway company with another?

Answer. To account No. 546, "Law expenditures," in the classification for road and equipment.

CASE 221.

Query. To what account should an electric railway company charge the cost of concrete in which the ties are embedded and on which paving is laid?

Answer. The cost of the materials shall be charged to account No. 505, "Ballast," and the cost of labor to account No. 510, "Track and roadway labor."

CASE 222.

Query. To what account should be charged the cost of a passenger elevator in a power plant?

Answer. To account No. 539, "Power plant buildings," in the classification for road and equipment.

CASE 223.

Query. To what account should be charged the cost of filler blocks and guard rails used in connection with ordinary curves?

Answer. To account No. 507, "Rails, rail fastenings, and joints," in the classification for road and equipment.

CASE 224.

Query. To what accounts should be charged the cost of moving and maintaining tracks, portable crossovers, and other work necessary to maintain continuous operation during the progress of reconstruction work?

Answer. To the appropriate operating expense accounts under general account Way and Structures.

CASE 225.

Query. What account is chargeable with the cost of guard rails on bridges?

Answer. The cost of additional track rails laid to prevent cars from jumping the track shall be charged to road and equipment account No. 507, "Rails, rail fastenings, and joints." The cost of timbers or other devices placed at the sides of the bridge to prevent cars from leaving the structure if they jump the track shall be charged to account No. 515, "Bridges, trestles, and culverts." (See Case 115.)

CASE 226.

Query. To what account should be charged the cost of excavation for underground construction?

Answer. The cost of excavation for underground construction for a system operated by underground electric contact or cable shall be charged to road and equipment account No. 509, "Underground construction." Excavation for conduits for feeders or return wire or cables shall be charged to account No. 520, "Underground conduits."

CASE 227.

Query. To what account should be credited the amount received for advertising in time-tables?

Answer. The amount received for the sale of advertising space in time-tables shall be credited to operating expense account No. 80, "Advertising."

CASE 228.

Query. To what account should be charged the cost of land and of water rights incident thereto, when acquired for reservoirs and pipe lines?

Answer. To road and equipment account No. 508, "Other land used in electric railway operations."

CASE 229.

Query. To what accounts should be charged the cost of railway tracks and wagon roads built for exclusive service of water-power stations and the cost of wagon roads built to facilitate the patrolling of reservoirs, canals, etc.?

Answer. The cost of the tracks shall be distributed among the various construction accounts in the same way as the cost of other tracks. The cost of the

wagon roads serving the power stations shall be charged to the account to which the cost of the power stations is charged. The cost of the wagon roads built to facilitate the patrolling of reservoirs, canals, etc., shall be charged to road and equipment account No. 541, "Dams, canals, and pipe lines."

CASE 230.

Query. To what account should be charged the cost of signs warning against a third-rail?

Answer. To account No. 516, "Crossings, fences, and signs."

CASE 231.

Query. To what account should be charged the loss sustained by an electric railway company from the hold-up of a conductor, or through the defalcation of a conductor?

Answer. To operating expense account No. 78, "Other transportation expenses."

CASE 232.

Query. Is it proper to charge the various operating expense accounts for the transportation of employees of the different operating departments?

Answer. No charge shall be made against a company's operating expenses on account of the free transportation over its own lines of men, on or off duty, employed in maintenance or operation.

CASE 233.

Query. To what accounts should be charged the cost of construction and maintenance of cars equipped as track riveting machines or portable substations?

Answer. The first cost of electric motive equipment for track riveting machines or for portable substations shall be charged to road and equipment account No. 533, "Electric equipment of cars." The first cost of car bodies and trucks for the track riveting machines, together with the cost of the machines, shall be charged to account No. 532, "Service equipment." The cost of car bodies and trucks for portable substations shall be included with the cost of the substation equipment in account No. 543, "Substation equipment."

The cost of maintenance of riveter cars shall be correspondingly assigned to operating expense accounts No. 33, "Electric equipment of cars," and No. 32, "Service equipment"; and of substation cars to account No. 48, "Substation equipment."

CASE 234.

Query. In making an extension of a power house, it was necessary to tear down the end wall. The salvage, with other material, was used in building a new wall. What disposition should be made of charges and credits in such a case?

Answer. The cost of wall removed shall be credited to the road and equipment account to which it is charged. The same cost, less the value of salvage, together with the cost of removal, shall be charged to Operating Expenses. The cost of the new wall shall be charged to road and equipment account No. 539, "Power plant buildings."

CASE 235.

Query. To what accounts should be charged the rent of rooms and the cost of telephone service for the claims department, which is accommodated in a portion of the space rented for general offices?

Answer. The rent shall be charged to operating expense account No. 85, "General office supplies and expenses," and the cost of telephone service to account No. 89, "Miscellaneous general expenses." (See Case 68.)

CASE 236.

Query. An electric railway company which owns a private right of way in a city is required to pave intersecting streets to the full width of the right of way. To what account should be charged the first cost of such paving?

Answer. To road and equipment account No. 511, "Paving." (See Case 134.).

CASE 237.

Query. To what accounts should be charged the cost of packing used in power plants, carbon rings for turbines, and power plant tools?

Answer. The cost of packing and of carbon rings for turbines shall be charged to operating expense account No. 47, "Power plant equipment"; the cost of repair parts of machine tools in power plants also to account No. 47; and the cost of hand tools to account No. 56, "Miscellaneous power plant supplies and expenses."

CASE 238.

Query. To what account should be charged the first cost of welding rail joints?

Answer. If the work is done on existing tracks, the cost shall be charged to operating expense account No. 5, "Rail fastenings and joints." unless the welded joint is more expensive and is a distinct improvement over the joint replaced, in which case the excess cost of the new joint over the original cost of the old one shall be charged to account No. 507, "Rails, rail fastenings, and joints," the remainder of the cost being charged to Operating Expenses, as indicated above. If the welding of joints is done as part of the original construction of the road, the entire cost shall be charged to account No. 507, "Rails, rail fastenings, and joints."

CASE 239.

Query. To what account should be charged the rent of a floor in a building to provide space for the receivers of conductors' collections, and for instruction and club rooms?

To what account should be charged the cost of maintaining the furniture and equipment of the club room, and incidental expenses therefor?

Answer. The rent of the portion of the building used for receiving and instruction rooms shall be charged to operating expense account No. 63, "Superintendence of transportation."

The rent of the portion used for recreation purposes, the maintenance of its furniture and equipment, and the incidental expenses of operation shall be charged to account No. 78, "Other transportation expenses." If the rent is an insignificant amount it may all be included in account No. 63, "Superintendence of transportation."

CASE 240.

Query. To what account should an electric railway company charge the loss resulting from a fire which destroyed a station building not covered by insurance?

Answer. The cost of the building shall be credited to road and equipment account No. 524, "Stations, miscellaneous buildings, and structures," and if not to be replaced such cost shall be charged, less depreciation accrued, if any, to account No. 315, "Loss on road and equipment retired;" if it is to be replaced, the original cost, less depreciation accrued, shall be charged to operating expense account No. 24, "Buildings, fixtures, and grounds."

CASE 241.

Query. Is it permissible to make an apportionment of the rent paid for the use of land occupied by a building used in part as a carhouse, in part as a repair shop, and in part as a storeroom?

Answer. The entire amount of rent shall be charged to account No. 217, "Miscellaneous rents."

CASE 242.

Query. To what account should be charged the cost of repairs to a transformer located on a pole outside of a station building for the purpose of stepping down high-tension current in order to furnish electric light for the station?

Answer. To operating expense account No. 69, "Station expenses."

CASE 243.

Query. An electric railway company sells current delivered for power and light directly from the trolley line. To what account should be charged the first cost of meters installed in connection with this business, and the cost of reading the meters?

Answer. The cost of installing meters for the purpose described shall be charged to road and equipment account No. 521, "Distribution system." No charge shall be made for the wages of an employee who reads the meters, if it is done as incidental to his ordinary duties. (See Case 362.)

CASE 244.

Query. To what account should be credited the amount of a trainman's deposit not called for on his leaving the service of the company?

Answer. If the company chooses to close the liability account for such a deposit, the amount shall be credited to profit and loss account No. 308, "Miscellaneous credits."

CASE 245.

Query. A company operates a coal mine as an auxiliary operation, the railway department furnishing cars to haul material for maintenance and construction in the coal-mining department and rendering bill for the cost of power used, the cost of maintaining the cars, and the wages of the train crews. To what account should the railway department credit amounts so received?

Answer. The amounts received for the maintenance of the cars and for power shall be credited to accounts Nos. 43 and 62, "Other operations—Cr.," respectively, while the amounts received for the wages of the train crews shall be credited to the accounts to which the wages were originally charged.

CASE 246.

Query. To what account should be charged the cost of tracing cloth and blue-print paper used by the engineering department?

Answer. To operating expense account No. 94, "Stationery and printing."

CASE 247.

Query. To what accounts should be charged the cost of constructing and maintaining a line of railway on right of way held under perpetual lease?

Answer. The cost of construction shall be charged to the appropriate accounts in the classification for road and equipment, and the cost of maintenance to Operating Expenses.

CASE 248.

Query. To what account should be charged the wages paid to flagmen employed to facilitate car movement during renewals of track?

Answer. To operating expense account No. 66, "Miscellaneous car-service employees."

CASE 249.

Query. To what account should be credited the value of scrap which is recovered in making renewals of trolley brackets, but is not to be sold until later—perhaps after the close of the fiscal year?

Answer. The estimated salvage value shall be credited to operating expense account No. 20, "Poles and fixtures," at the time of the renewals. Any adjustment necessary when the material is sold shall also be made through Operating Expenses.

CASE 250.

Query. A company desires to set up in the depreciation reserve account the estimated amount of depreciation which has accrued from the beginning of its operations to the present. How should such adjustment be entered in the accounts?

Answer. That proportion of the charges representing depreciation on equipment covered by accounts Nos. 530 to 535, inclusive, and assignable to the period prior to July 1, 1914, shall be included in profit and loss account No. 317, "Miscellaneous debits," and a corresponding reserve created; that proportion of depreciation on such equipment assignable to the period subsequent to July 1, 1914, will have been provided for by the required monthly charges to operating expense account No. 40, "Depreciation of equipment," the corresponding credits being made to balance-sheet account No. 443, "Accrued depreciation—Road and equipment."

If a company desires to make an adjustment of depreciation on fixed improvements and property not included in accounts Nos. 530 to 535, inclusive, that proportion of such depreciation assignable to the period prior to the current fiscal year shall be charged to profit and loss account No. 317, "Miscellaneous debits," and the proportion assignable to the current fiscal year to accounts No. 25, "Depreciation of way and structures," and No. 50, "Depreciation of power plant buildings and equipment," as may be appropriate, and a corresponding reserve created.

CASE 251.

Query. An electric railway company is required to lay improved paving and before doing so puts its tracks in good repair. To what accounts should be charged the cost of the track work and of the paving?

Answer. The cost of labor and material used in the track work shall be charged to the appropriate operating expense accounts. The excess cost of the new and improved paving over the original cost (estimated, if not known) of the paving replaced shall be charged to road and equipment account No. 511, "Paving," and the remainder of the cost to operating expense account No. 10, "Paving."

CASE 252.

Query. To what account should be charged such part of the cost of restoring a trestle destroyed by fire as is in excess of the amount of insurance recovered?

Answer. To operating expense account No. 15, "Bridges, trestles, and culverts," except that any excess in the cost of the new trestle over the cost of the old as carried in the construction accounts shall be charged to road and equipment account No. 515, "Bridges, trestles, and culverts."

CASE 253.

Query. To what accounts should be charged the first cost and cost of maintenance of telephone booths located along the track in public ways for use in dispatching cars or trains?

Answer. The first cost shall be charged to road and equipment account No. 518, "Telephone and telegraph lines," and the cost of maintenance to operating expense account No. 18, "Telephone and telegraph lines."

CASE 254.

Query. An interurban electric railway engaged in passenger and freight business derives a portion of its revenue from switching steam railroad cars. To what account should be charged demurrage incurred on these steam railroad cars?

Answer. To operating expense account No. 78, "Other transportation expenses." If, in any case, a portion of the demurrage is recovered from the consignee or shipper, only the net amount payable shall be included in account No. 78.

CASE 255.

Query. To what account should be charged the cost of printing cards and passes for the use of officers and employees of the company?

Answer. To operating expense account No. 94, "Stationery and printing."

CASE 256.

Query. To what account should be charged expenditures, in connection with construction, for grading parkways between tracks on streets?

Answer. To road and equipment account No. 504, "Grading."

CASE 257.

Query. To what accounts in the classification for road and equipment should be charged the cost of building and maintaining timekeepers' offices and temporary tool and supply houses; also the rent of ground in connection therewith?

Answer. On the assumption that the expenditures referred to are in connection with construction, the cost of building and repairing and the rent paid for ground in connection therewith shall be included in the accounts to which the cost of the work is charged. Any salvage recovered at the conclusion of the work shall be credited to accounts charged.

CASE 258.

Query. To what account should be credited the proceeds received from the sale of a construction grading camp? This camp was built and maintained for the purpose of boarding men employed in grading during the construction period.

Answer. Assuming that the cost of constructing the grading camp was charged to road and equipment account No. 504, "Grading," the proceeds from the sale of the camp shall be credited to that account.

CASE 259.

Query. At one of the stations on an interurban line a spur track is maintained for convenient handling of freight. Alongside of this spur track is a plank driveway which the company has to repair. To what account should be charged the cost of this repairing?

Answer. To operating expense account No. 24, "Buildings, fixtures, and grounds."

CASE 260.

Query. Railway companies A, B, and C built a joint railway and highway bridge across a stream between two counties. The cost of the bridge was borne jointly by the three railway companies and the two counties. The contract between the railway companies for the erection and operation of the bridge provides that each company shall receive credit for one-third of the amount contributed by the counties, as each company will have borne one-third of the cost of maintenance and operation.

The bridge is to be maintained and operated by Company A, Companies B and C paying each one-third of the cost, and the counties contributing a stated amount per annum for the maintenance of the highway portion. Company A has charged its proportion of the cost of maintenance and operation to accounts No. 15, "Bridges, trestles, and culverts"; No. 17, "Signal and interlocking apparatus"; No. 59, "Power purchased"; No. 68, "Miscellaneous car-service employees"; and No. 78, "Other transportation expenses." Is this correct? And how should the amount paid by the counties be credited in the railway companies' accounts?

Answer. The accounting is correct. Assuming that the distribution of the cost of maintaining and operating the bridge is charged to the proper operating expense accounts of each company, the amounts received from the counties shall be credited by each company to the primary accounts affected.

CASE 261.

Query. A company has made a change in the allnement of its tracks in order to avoid conditions dangerous to the public. In connection with the work there has been considerable expense in resetting curbs and repaving sidewalks. Should the cost of changing curbs and sidewalks be charged to road and equipment accounts?

Answer. The cost of relocating and relaying curbs in connection with realignment of tracks, in order to make operations safer, shall be charged to the proper maintenance accounts in operating expenses. If new curbs have been constructed or new paving laid where none existed previously, the cost thereof shall be charged to the proper road and equipment accounts.

CASE 262.

Query. When a station is built at a point where the right of way is wide enough to accommodate it, should the cost of the land upon which the station is built be credited to account No. 502, "Right of way," and debited to account No. 503, "Other land used in electric railway operations"?

When a station is built at a point where the right of way is wide enough to accommodate only a part of the station, and additional property is purchased, the width added to the right of way making it no wider than the right of way at other near-by points, should the additional property purchased be charged to account No. 503 or account No. 502?

Answer. If the company in purchasing a right of way does not purchase an additional width in the expectation of using the same for station or other purposes, the entire cost of the property shall be charged to account No. 502, "Right of way."

If the company purchases an additional width for the purpose of using it at once or in the future for purposes other than construction of roadbed, the value of this additional land shall be charged to account No. 503, "Other land used in electric railway operations."

CASE 263.

Query. A company moved a special train at a guaranty of a specified lump sum. The total fares of the passengers on this train did not equal the guaranty, based on the local tariff, leaving a deficiency of \$15.20. To what account should the deficiency be credited when collected?

Answer. Both fares and deficiency shall be credited to account No. 103, "Parlor, sleeping, dining, and special car revenue."

CASE 264.

Query. A company has been compelled by a State highway commission to move about 1,000 feet of its track from the side to the center of the road, and also to pave between the rails. To what accounts should be charged the cost of moving the track and of paving?

Answer. If no additions or betterments were made in connection with the transfer of the track from the side to the center of the road, the expense incurred in connection with this removal shall be charged to Operating Expenses.

If there was no paving between the rails as originally laid, and paving has been put in after the removal of the tracks to the center of the road, the cost of the paving, being additional, shall be charged to road and equipment account No. 511, "Paving." If, however, there was similar paving between the rails before the track was moved, the cost of paving in the center of the road shall be charged to operating expense account No. 10, "Paving."

CASE 265.

Query. A company has expended a considerable sum in new construction which will not be completed until March 1. Is it necessary to distribute the amount expended to December 31 to the primary construction accounts, or may the balance be carried in suspense till the work is completed?

Answer. The expenditure to December 31 shall be distributed, if possible, to the appropriate road and equipment accounts and so reported in the annual report to the Commission for the year ending December 31. If it is impossible to properly distribute such expenditure, the amount thereof may be carried over the fiscal year and reported on the balance sheet under an appropriate title in account No. 420, "Other unadjusted debits."

CASE 266.

Query. This company is taking up 40-pound rail which was laid about 10 years ago, and is about to lay 70-pound rail in its place. The cost of the old rail will be taken out of the road and equipment accounts, and the cost of the new rail charged thereto. What account should be charged with the cost of labor taking up the old rail?

Answer. The cost of labor expended in taking up old rail for the purpose of replacing same shall be charged to operating expense account No. 8, "Track and roadway labor." (See Case 359.)

CASE 267.

Query. To what account should be charged interest on unpaid paving taxes or assessments, such taxes or assessments being made by the municipality to cover the cost of paving between tracks? Such assessment may be paid in full at the time the assessment is made, or may be paid in 10 or more annual installments with the interest on the unpaid balance at a fixed rate.

Answer. Interest on unpaid paving assessments levied by a municipality shall be charged to income account No. 221, "Interest on unfunded debt."

CASE 268.

Query. This company has considerable expense in connection with fire drills at its various shops and carhouses, or on its ferryboats. To what accounts should such expenses be charged?

Answer. If the expenses incident to fire drills are of sufficient amount to warrant it, they shall be charged to operating expense account No. 24, "Buildings, fixtures, and grounds," if incurred at shops and carhouses; or to account No. 35, "Floating equipment," if on ferryboats. Although men are taken from other work to go through fire drills, in most cases this expense is small, and if the segregation of such expense would result in an undue refinement of accounting, there is no objection to including such expense in the accounts to which the men's wages ordinarily are charged.

CASE 269.

Query. To what accounts should be charged the cost of fighting fires?

Answer. The distribution of the expense of fighting fires shall be determined by the nature of the property protected. If the expense is incurred for protection of the roadway, account No. 19, "Miscellaneous way expenses," shall be charged; if to protect electric lines, poles, and fixtures, the charge shall be to account No. 23, "Miscellaneous electric line expenses"; if to protect buildings other than power plants and substations, the charge shall be to account No. 24, "Buildings, fixtures, and grounds"; if to protect power plant and substation buildings, the charge shall be to account No. 46, "Power plant buildings, fixtures, and grounds."

CASE 270.

Query. When rails are welded with an electric-arc welder, thus doing away with rail bonds, should any portion of the expense of welding be charged to account No. 22, "Distribution system," or should the entire expense, including both labor and material, be charged to account No. 507, "Rails, rail fastenings, and joints"?

Answer. The cost of welding rails with an electric-arc welder, thus doing away with existing rail bonds, shall be charged to Operating Expenses, the cost of material being charged to account No. 5, "Rail fastenings and joints," and the cost of labor to account No. 8, "Track and roadway labor."

If the welding is done in connection with new construction, the cost of material shall be charged to account No. 507, "Rails, rail fastenings, and joints," and the cost of labor to account No. 510, "Track and roadway labor."

CASE 271.

Query. To what account should be charged the cost of filling the cups in rails, caused by bad joints? This work is done with an electric-arc welding machine. When the cup is not at the end of the rail, to what account should be charged the cost of filling it?

Answer. The cost of material used in filling cups in rails shall be charged to operating expense account No. 4, "Rails," and the cost of labor in connection therewith to account No. 8, "Track and roadway labor," whether the cup is at the end of the rail or not.

CASE 272.

Query. To what account should be charged the cost of building up chipped or worn places or broken points in special work, this work being done with an electric-arc welding machine?

Answer. The cost of material used in building up chipped or worn places or broken points in special work shall be charged to operating expense account No. 6, "Special work," and the cost of labor in connection therewith to operating expense account No. 8, "Track and roadway labor."

CASE 273.

Query. Company A repairs its own cars and also those belonging to Company B. Company A charges Company B with the actual cost of material and labor in making the repairs. It is desired to charge also to Company B a proper proportion of the storeroom expenses of Company A. How should this be treated in the accounts?

Answer. The carrier making the repairs (Company A) shall credit operating expense account No. 95, "Store expenses," and the company whose cars are repaired (Company B) shall debit the same account for the proportion of storeroom expense billed by the former against the latter company. Such items shall not be treated through the accounts "Other operations—Dr." or "Cr."

CASE 274.

Query. What is meant by the term "other rail equipment" in operating expense account No. 98, "Rent of equipment"? Is it intended to cover equipment such as steam rollers and pile drivers?

Answer. The term "other rail equipment" as used in account No. 98 is intended to include regular rail equipment only. The rent of a steam roller, pile driver, or similar equipment used in maintenance work shall be charged directly to the work upon which such equipment is used.

CASE 275.

Query. This company has recently converted several ordinary cars into pay-as-you-enter cars. To what account should be charged the royalty we pay to the patentees?

Answer. A royalty paid on the patent in connection with the conversion of an ordinary passenger car into a pay-as-you-enter car shall be charged to road and equipment account No. 530, "Passenger and combination cars."

CASE 276.

Query. This company erects car-stop signs, which are sometimes hung on span wires or fastened on iron pipes especially erected for that purpose. To what account should this expense be charged?

Answer. The original cost of the car-stop signs and of the pipes for their support shall be charged to road and equipment account No. 516, "Crossings, fences, and signs." The cost of repairing the signs and pipes shall be charged to operating expense account No. 16, "Crossings, fences, and signs."

CASE 277.

Query. This company has a rail grinder, which grinds down the uneven portions of the rail; it is propelled by electric power and runs upon the tracks. We also have a bonding machine, run by electric power, which is used to solder the bonds at the rail joints. Should the rail grinder and the bonding machine be considered as tools or as equipment?

Answer. If the rail grinder and bonding machine are permanently mounted on wheels or cars and move over the carrier's tracks, they shall be considered equipment; if not mounted, they shall be considered as tools.

CASE 278.

Query. This company sells commutation coupon-ticket books which expire upon the last day of the month in which sold. Is it permissible to credit to "Passenger revenue" the revenue derived from the sale of these ticket books, or should a suspense account be opened and the credit made to passenger revenue as the coupons are honored?

Answer. It is permissible to credit to account No. 101, "Passenger revenue," as the sales are made, the proceeds from sales of monthly commutation ticket books which expire upon the last day of the month in which sold.

CASE 279.

Query. What account should be charged with the cost of paving done in connection with the renewal of rails, fastenings, and joints?

Answer. The cost of taking up and replacing paving in connection with the renewal of rails, fastenings, and joints shall be charged to operating expense account No. 10, "Paving."

CASE 280.

Query. To what account should be charged the premium paid on a judicial bond necessary in connection with the appeal of an injuries case?

Answer. To operating expense account No. 92, "Injuries and damages."

CASE 281.

Query. To what account should be charged the cost of snow scrapers?

Answer. If the snow scrapers are mounted, forming units of service equipment, the original cost shall be charged to road and equipment account No. 532, "Service equipment." If, however, the snow scrapers are attachable to revenue cars, their cost shall be charged to road and equipment account No. 530,

"Passenger and combination cars"; No. 531, "Freight, express, and mail cars"; or No. 534, "Locomotives," as may be appropriate. If attachable to service cars the cost of the scrapers shall be charged to road and equipment account No. 532, "Service equipment."

CASE 282.

Query. In purchasing a piece of right of way a railway company agreed to put in a road crossing at a certain point. Later, however, the company paid the former owner of the right of way a certain amount of cash in order to relieve the company from putting in the crossing. Should this latter amount be charged to account No. 502, "Right of way," or to No. 516, "Crossings, fences, and signs"?

Answer. The amount paid for the purpose of relieving the company of the necessity of putting in a road crossing shall be charged to account No. 502, "Right of way," for the reason that the price originally paid for the right of way was undoubtedly reduced because the railroad company had agreed to install a crossing.

CASE 283.

Query. To what accounts should be charged amounts paid as rent of power plant units and transformers to be used in emergency cases?

Answer. To account No. 56, "Miscellaneous power plant supplies and expenses." (See Case 366.)

CASE 284.

Query. A company purchased a portable substation mounted on wheels and equipped to be moved from point to point and to be connected with the high-voltage line in order to deliver current to the distribution system. To what accounts should be charged the cost of this substation and the cost of its maintenance?

Answer. The first cost of the substation shall be charged to account No. 543, "Substation equipment," and the cost of maintenance to account No. 48, "Substation equipment."

CASE 285.

Query. An interurban line carries milk on equipment used solely in freight service and the rates are included in its freight tariff. The milk is never carried on passenger cars. To what account should be credited revenue derived from the above source?

Answer. Revenue received from the transportation of milk, whether on passenger or freight trains, shall be credited to account No. 106, "Milk revenue."

CASE 286.

Query. To what account should be credited the value of unredeemed passenger tickets when written off annually?

Answer. To account No. 101, "Passenger revenue."

CASE 287.

Query. To what account should be charged—

- (1) The cost of supplies for cleaning and washing cars?
- (2) The cost of rebonding rails?

(3) The cost of taking off storm sashes and putting guard rails on cars?

(4) The cost of painting and varnishing cars?

Answer. (1) To account No. 67, "Miscellaneous car-service expenses."

(2) To account No. 22, "Distribution system."

(3) (4) To account No. 30, "Passenger and combination cars"; account No. 31, "Freight, express, and mail cars"; or account No. 32, "Service equipment," as may be appropriate.

CASE 288.

Query. To what account should be charged the original cost of an automobile used by the chief engineer of a railway company who has charge of the power house and line department of the railway and of allied lighting companies?

Answer. The cost of the automobile shall be charged by the company which owns it to road and equipment account No. 538, "Miscellaneous equipment." If the automobile is owned by several companies the cost shall be apportioned to their respective property accounts upon an equitable basis.

CASE 289.

Query. A company has a power plant where it is necessary to load cinders by hand. The cinders are loaded on cars by the track department and hauled to points on the line where they are unloaded and used for grading and widening the roadbed. Should the entire expense be charged to maintenance of way and structures, or should some portion be charged to the operation of power plant?

Answer. The cost of removing cinders shall be charged to the operation of power plant. The cost of hauling and unloading the cinders used for maintenance purposes shall be charged to the appropriate accounts according to the use made thereof.

CASE 290.

Query. To what account should be charged the cost of superintending the maintenance of floating equipment?

Answer. To account No. 29, "Superintendence of equipment."

CASE 291.

Query. A company lays tiling between rails lengthwise with the track, for the purpose of draining the roadbed. To what accounts should be charged the cost of the tiling and the labor of laying same?

Answer. The original cost of tiling and labor laying same shall be included in road and equipment account No. 504, "Grading." If the charges are for maintenance, the amount paid for labor shall be charged to account No. 8, "Track and roadway labor," and the cost of material to account No. 9, "Miscellaneous track and roadway expenses."

CASE 292.

Query. To what account should be charged wages of track or section foremen engaged in maintenance work?

Answer. To account No. 8, "Track and roadway labor."

CASE 293.

Query. Please define the word "appliances" as used in account No. 32, "Service equipment."

Answer. The term "appliances" is intended to include all devices, except the electric motive equipment, which are attached to the car and not used separately therefrom. Devices shall be considered as "appliances" if they form a necessary part of the mechanism permanently affixed to the car.

CASE 294.

Query. Should the cost of tools forming a necessary part of the mechanism permanently attached to a service car be charged to account No. 532, "Service equipment," or to account No. 9, "Miscellaneous track and roadway expenses"?

Answer. The original cost of tools or appliances (except electric motive equipment) permanently attached to a service car or forming a necessary part of the mechanism permanently attached to the car shall be charged to account No. 532, "Service equipment." The cost of maintenance shall be charged to account No. 82, "Service equipment."

CASE 295.

Query. To what account should be charged the salaries and expenses of clerks employed to investigate and keep records of loss and damage and overcharge claims?

Answer. The pay and expenses of clerks other than agency employees, when engaged exclusively in recording, investigating, and adjusting loss, damage, and overcharge claims, shall be charged to account No. 84, "Salaries and expenses of general office clerks."

CASE 296.

Query. This company has a car which cost \$5,000 and upon which depreciation amounting to \$1,500 has accrued. Because of an accident the car is unfit for service on the main line, but it has been repaired and is to be used on a small branch line. Is it necessary to make any adjustment in the road and equipment accounts; and may the reserve for accrued depreciation be charged with the repairs?

Answer. No adjustment shall be made in the road and equipment accounts until the car is permanently retired from service. In the present case, the cost of repairs shall be included in the appropriate repair accounts. If, however, additions or betterments (as defined in section 2, page 91, of the Uniform System of Accounts) are made during the process of reconstruction, the cost of the additions or betterments shall be included in the appropriate road and equipment accounts.

No charge shall be made against the reserve for accrued depreciation for repairs of equipment unless the equipment is converted from one class to another, in which case charge shall be made to balance-sheet account No. 448, "Accrued depreciation—Road and equipment," in accordance with instructions contained in section 6, page 92, of the Uniform System of Accounts for Electric Railways.

CASE 297.

Query. A company owning property which extends some distance out into a river has driven piles along the boundary line as a retaining wall. Contractors doing excavating near by are paying for the privilege of dumping dirt upon this property. To what account should be credited such collections?

Answer. Assuming that the value of the land is not diminished, the amounts received from others for the privilege of dumping dirt upon it shall be credited to income account No. 212, "Miscellaneous income."

CASE 298.

Query. A company is required by its mortgage to keep 300 of its bonds, or the proceeds thereof, in a fund which can be used only for the payment of the cost of new property acquired, or for additions, extensions, and permanent improvements. Under what balance-sheet account should be included the par value of the bonds or the proceeds thereof?

Answer. The par value of the bonds held in the company treasury, unsold, shall be included in balance-sheet account No. 421, "Securities issued or assumed—Unpledged." When the bonds are sold the proceeds, until used, should be included in balance-sheet account No. 408, "Special deposits."

CASE 299.

Query. This company has an agreement with the city whereby it has a right to locate, maintain, and use tracks across a public bridge. For this privilege we pay the city a fixed amount annually. To what account should this item be charged?

To what account should be charged the cost of maintaining the tracks, poles, wires, etc., and the paving and planking on the bridge?

Answer. The amount paid annually to the city for the right to locate, maintain, and use tracks across the bridge shall be charged to income account No. 215, "Taxes assignable to railway operations."

The cost of maintaining and repairing the tracks, poles, wires, paving, and planking shall be charged to the same primary maintenance accounts as though the company owned the bridge.

CASE 300.

Query. (1) A company operating a light plant as an auxiliary operation has, in connection with the light business, considerable expense which has no bearing whatever on the railway expenses. Is it permissible to charge directly to account No. 214, "Auxiliary operations—Expenses," the expenses which are incurred solely in connection with the light business?

(2) In one of the cities through which this company operates it furnishes power from a line used to operate the railroad. In addition, there is a further investment for poles and fixtures which are not used in the operation of the railway, but are used exclusively in the light business. Is it permissible to include the cost of the poles and fixtures used exclusively in the light business in balance-sheet account No. 404, "Miscellaneous physical property"?

Answer. (1) Expenses incurred solely in connection with the auxiliary operation, no proportion of which expenses is properly includible as a part of the cost of operating the railway, shall not be charged to the railway expense accounts. All expenses, however, in connection with the production or purchase of power used for both railway and light purposes shall be included in the appropriate primary accounts of the railway general account Power. The proportion of such power expenses assignable to the light department shall then be cleared from the railway expenses by crediting railway operating expense account No. 62, "Other operations—Cr.," and charging account No. 214, "Auxiliary operations—Expenses." If the expenses referred to are not those which enter into the cost of power production, they need not be included in the railway operating expenses.

(2) The cost of poles and fixtures used exclusively in the light business shall be included in the appropriate primary accounts of the road and equipment classification.

It has been found impracticable to make a complete and equitable separation of the investment in property used in the joint production of power as between the railway and light business. Therefore the cost of all equipment and structures, including property used exclusively in the light business, shall be charged to the appropriate road and equipment accounts.

There is no objection, however, to keeping the investment in poles and fixtures used exclusively in the light business separate from the investment in railway property, provided all charges thereto are classified in accordance with the primary accounts of the road and equipment classification. In compiling annual reports to this Commission the investment in the light property shall be merged with that for investment in the railroad property and the total reported. (*See Cases 28, 188, 198, 362.*)

CASE 301.

Query. A company in acquiring a right of way was compelled to purchase an orchard and now owns orchard lands on both sides of its right of way. The company has continued to cultivate the orchard. To what accounts should be charged the cost of the orchard and the cost of its cultivation?

Answer. The cost of the portion of the orchard acquired for right-of-way purposes shall be charged to account No. 502, "Right of way," and the remainder of the cost to account No. 404, "Miscellaneous physical property." The expenses incident to the care and cultivation of the orchard shall be charged to account No. 205, "Net income from miscellaneous physical property," or to account No. 219, "Net loss on miscellaneous physical property," as may be appropriate. (*See note, account No. 404.*)

CASE 302.

Query. Should account No. 95, "Store expenses," include the salaries of the purchasing agent and his staff as well as the cost of maintaining storeroom buildings?

Answer. The salary of the purchasing agent shall be charged to account No. 83, "Salaries and expenses of general officers." The salaries of the staff of the purchasing agent, if employed in the general office, shall be charged to account No. 84, "Salaries and expenses of general office clerks." The salaries of employees engaged in the storeroom shall be charged to account No. 95, "Store expenses." The cost of maintaining storeroom buildings shall be charged to operating expense account No. 24, "Buildings, fixtures, and grounds."

CASE 303.

Query. To what account should be charged depreciation on equipment the cost of which is included in road and equipment account No. 538, "Miscellaneous equipment"?

Answer. If depreciation has accrued on equipment the cost of which is included in account No. 538, "Miscellaneous equipment," it shall be included in account No. 40, "Depreciation of equipment," additional subaccounts being opened thereunder to cover the classes of equipment upon which depreciation has accrued.

CASE 304.

Query. Is it proper to charge to operating expense account No. 70, "Carhouse employees," the salaries and expenses of employees engaged in inspecting freight equipment out on the line, as well as of employees in the carhouses?

To what account should be charged the wages of inspectors superintending the movement of cars?

Answer. Account No. 70, "Carhouse employees," is intended to include the wages and expenses of inspectors of equipment, whether in the carhouses or on the road.

The wages of inspectors employed in superintending or facilitating the movement of cars and assisting in the superintendence of transportation generally shall be charged to account No. 63, "Superintendence of transportation." (See Case 386.)

CASE 305.

Query. To what account should be charged the salary and expenses of a car-service agent and his office clerks?

To what account should be charged the cost of icing refrigerator cars?

Answer. The salaries and expenses of a car-service agent and his clerks shall be charged to account No. 63, "Superintendence of transportation."

The cost of icing refrigerator cars shall be charged to account No. 67, "Miscellaneous car-service expenses."

CASE 306.

Query. To what accounts should conductors' and motormen's wages be charged when they are engaged in work other than revenue service?

To what account should their time be charged when deadheading cars from one carhouse to another for repairs?

Answer. If the conductors and motormen are engaged in construction or maintenance work, their wages shall be charged to the appropriate road and equipment or operating expense primary accounts, according to the purpose for which the equipment is being used.

The wages of conductors and motormen employed in deadheading cars from one carhouse to another for repairs shall be charged to the primary account to which the repairs of such cars are chargeable.

CASE 307.

Query. Prior to July 1, 1914, whenever an unusually heavy expenditure was incurred which was chargeable to a particular primary operating expense account the total amount of the item was charged to a suspense account and written off, in equitable monthly proportions, to the proper primary account, thus producing not only an even monthly showing in the general accounts but in the primary accounts as well. We are aware that the equalization accounts are provided for the purpose of equalizing the fluctuations in operating expenses, by general account totals, but desire to have the equalization results reflected in the primary accounts and desire permission to continue the use of the operating expense suspense account as indicated above. Will this method be permissible, providing the expenses are adjusted annually so that the actual expenses for the year will be included in operating expenses?

Answer. There is no objection to charging the operating expense primary accounts each month with an equitable monthly proportion of the total amount of authorized or approximated expenses for the year, regardless of the month in which the actual work is done. The suspense accounts, however, shall be adjusted at the end of the year, so that only the actual amount of operating expenses shall be included in the primary accounts.

CASE 308.

Query. To what account should a carrier credit the amount of interest which has been charged to construction? This company has no funded debt.

Are we permitted to charge to construction the interest on the company's working funds used for construction purposes?

Answer. Interest charged to construction shall be included in account No. 547, "Interest during construction," and corresponding credit shall be made to the account which was charged as such interest accrued. If no interest actually accrued or was paid, account No. 547 may include a reasonable charge for interest during the construction period on the carrier's own funds used temporarily, the corresponding credit being made to account No. 208, "Income from unfunded securities and accounts."

CASE 309.

Query. Is account No. 40, "Depreciation of equipment," intended to include any equipment other than that commonly termed "rolling stock"? Should it include equipment the cost of which is charged to account No. 538, "Miscellaneous equipment"?

Answer. Account No. 40, "Depreciation of equipment," is intended to include charges on equipment covered by road and equipment accounts Nos. 530 to 535, inclusive. Account No. 40 does not require charges for depreciation accrued on equipment included in account No. 538, "Miscellaneous equipment." Carriers desiring to charge depreciation accrued on shop equipment, furniture, or miscellaneous equipment covered by accounts Nos. 536 to 538, inclusive, may open additional subaccounts therefor under account No. 40.

CASE 310.

Query. A company has acquired by long-term lease an electric railway property. In connection with the text of account No. 40, "Depreciation of equipment," there is a doubt as to the valuation on which depreciation should be figured. Should the lessee company's rate of depreciation be based on the appraised or estimated value of the equipment when received, or on such value as of July 1, 1914, or on the original cost to the lessor company?

Is a lessee company required to provide a depreciation reserve covering the entire estimated life of the equipment leased from (1) the date of purchase or first use by the lessor, or from (2) the date on which the lessee acquired the equipment, or from (3) July 1, 1914?

Answer. The basis on which depreciation on equipment shall be charged is the original cost (estimated if not known), record value, or purchase price. If the equipment was appraised on July 1, 1914, or when received, the appraised value shall be used, provided the ledger value has been adjusted to such appraised value. In section 14, page 19, of the Uniform System of Accounts, the first paragraph provides that "depreciation charges with respect to property or equipment shall cease when the difference between the ledger value (estimated if not known) and the estimated scrap value shall have been credited to the depreciation reserve account."

The date from which a lessee company is required to provide a depreciation reserve on leased equipment will depend upon the terms of the lease. If the lessee company has agreed to be responsible for the complete maintenance of the equipment it will be necessary for such company to account for depreciation from the date the equipment is received by it. If such is the agreement and the lessee company has not accounted for depreciation prior to July 1, 1914, then the depreciation which is assignable to the period during which the equipment was held by the lessee prior to July 1, 1914, may be charged to Profit and Loss either immediately or when the equipment is retired or returned.

CASE 311.

Query. A company is operating cars which it purchased about 10 years ago. Prior to July 1, 1914, no depreciation accrued on these cars. Are we required to account for depreciation during the remaining life of the car sufficient to provide for its retirement? In other words, must our charge to the depreciation account for the remaining years of the life of the car be sufficient to cover the entire depreciation which accrued from the date of purchase, which was prior to July 1, 1914?

Answer. It is intended that the operating expenses for each month, or each year, shall include sufficient reserve to provide for the current loss from depreciation accruing during that period. Therefore, beginning with July, 1914, each month's operating expenses shall be charged, under account No. 40, "Depreciation of equipment," with a monthly proportion of the estimated depreciation accruing during the year. It is not intended that the operating expenses of the period during which equipment is used subsequent to July 1, 1914, shall bear the entire depreciation on equipment which was in service prior to that date.

CASE 312.

Query. Account No. 209, "Income from sinking fund and other reserves," provides that "this account shall include the income accrued on cash, securities (not issued or assumed by the accounting company), and other assets held in sinking and other reserve funds." To what account should be credited the income on securities issued or assumed by the accounting company?

Answer. Under the rules contained in accounts No. 220, "Interest on funded debt," and No. 310, "Dividend appropriations of surplus," it is provided that a company shall not include therein interest or dividends upon funded debt or stocks issued or assumed by the company and owned by it. Interest on funded debt and dividends on stocks may accrue or be paid only on securities not held by or for the accounting company.

If contractual requirements necessitate increasing the sinking fund annually by the amount of income which would have accrued on the company's own securities if they were not owned by the company, such amount may be charged to account No. 309, "Appropriations of surplus to sinking fund and other reserves," and credited to the appropriate reserve account. The equivalent of this sum may then be paid in cash into the reserve fund, in which case "Cash" shall be credited and account No. 402, representing the sinking fund assets, shall be correspondingly charged.

CASE 313.

Query. This company purchased, according to the provision in one of its mortgages, \$8,000 (par value) of its bonds, for cash, at a premium of 1 per cent, amounting to \$80, plus accrued interest amounting to \$185.56.

(1) To what account should be charged the premium of \$80?

(2) To what account should be charged the interest amounting to \$185.56?

(3) Should any adjustment be made for the face value, \$200, of the attached coupons next falling due, interest amounting to \$185.56 having accrued?

Answer. (1) The premium of \$80 shall be charged to account No. 317, "Miscellaneous debits," in accordance with the text of that account.

(2) The accrued interest of \$185.56 shall be charged to the account to which credit has been made for accrued interest.

(3) No adjustment as to the coupons is necessary, for the reason that it is not permissible for carriers to enter accruals of interest on bonds issued or assumed by them and reacquired.

CASE 314.

Query. Is it correct to charge to account No. 98, "Rent of equipment," demurrage paid on cars billed to our line on interline business?

If demurrage is paid on cars containing company coal, should such demurrage payments be included in the cost of the coal?

Answer. Demurrage paid on cars in interline revenue business shall be charged to account No. 98, "Rent of equipment."

Demurrage paid on cars containing company coal shall be charged to the coal supply account, thus entering into the cost of coal included in operating expenses.

CASE 315.

Query. Note B of account No. 40, "Depreciation of equipment," provides that depreciation assignable to the period prior to July 1, 1914, shall be charged to Profit and Loss. Is it the intention that the proportion of the actual loss from depreciation assignable to the period prior to July 1, 1914, shall be charged to Profit and Loss now, or shall it be charged thereto in the future, when the equipment is retired?

Answer. The charge to Profit and Loss for depreciation prior to July 1, 1914, may be made before or at the time of retirement of equipment. If the depreciation assignable to the period prior to July 1, 1914, is charged off before the equipment is retired, the credit shall be made to account No. 443, "Accrued depreciation—Road and equipment." If the depreciation assignable to the period prior to July 1, 1914, is not charged off until the equipment is retired, it shall be accounted for in accordance with the instructions contained in the last paragraph of section 14, page 19, of the Uniform System of Accounts.

CASE 316.

Query. Is it permissible to make a rental charge against a light department conducted by an electric railway for the use of poles and lines used jointly for both railway and light purposes?

Answer. No. It is proper, however, to charge the light department with an equitable proportion of the cost of maintaining poles and lines used jointly by the railway and light departments. Such joint expenses shall be first charged to the railway operating expense accounts, and the proportion assignable to the light department shall be cleared from the railway operating expenses by charging the light department and crediting account No. 27 or No. 62, "Other operations—Cr.," as may be appropriate.

CASE 317.

Query. This company has purchased an auto truck, which will be used for carrying newspapers and, by electricians, for repairing overhead wires. The company will receive \$10 a day for transporting the newspapers. To what account should be charged the cost of the truck, and to what account should be credited the revenue received for transporting the newspapers?

Answer. The cost of the auto truck shall be charged to road and equipment account No. 538, "Miscellaneous equipment." The amount received for transporting newspapers shall be credited to operating revenue account No. 109, "Miscellaneous transportation revenue."

CASE 318.

Query. What account should be charged with expenses incurred because of a strike of motormen and conductors?

Answer. There is no special account in which to include strike expenses. The wages of employees taking the place of strikers shall be charged to the same accounts to which would have been charged the wages of the employees on strike. The same disposition shall be made of overtime of such employees.

Any unusual transportation expenses (not wages or overtime), such as police protection, shall be charged to account No. 78, "Other transportation expenses."

Any general expenses incurred directly in connection with the strike and not provided for in the primary accounts preceding general account General and Miscellaneous shall be charged to account No. 89, "Miscellaneous general expenses."

CASE 319.

Query. To what account should be charged amounts paid to individuals for the privilege of cutting down trees at dangerous curves? These trees obstructed the view of the motormen.

Answer. Payments for the privilege of cutting down the trees shall be charged to account No. 502, "Right of way." The cost of labor trimming trees or cutting bushes standing close to right of way shall be charged to operating expense account No. 8, "Track and roadway labor." The cost of tools used in connection therewith shall be charged to account No. 9, "Miscellaneous track and roadway expenses."

CASE 320.

Query. A railway company is compelled by municipal ordinance to lower the track along a public street in order to make it agree with the official grade. To what account should this expenditure be charged?

Answer. The cost of lowering a track along a public street, such change being required by the municipality, shall be charged to road and equipment account No. 504, "Grading."

CASE 321.

Query. It has been the practice of this company since its organization to carry as a liability the total amount of unredeemed tickets, the balance being carried forward from year to year, no adjustment being made to reduce the amount outstanding. The balance of unredeemed tickets to-day includes an amount of approximately \$34,000, which we believe will never be presented for redemption. This amount has been arrived at after making allowance for the amount of tickets sold during the last three years and unredeemed. Will it be permissible to adjust this unredeemed ticket account by crediting Profit and Loss with \$34,000, which represents accumulations of unredeemed ticket balances during the period from 1862 to 1910? And may we hereafter make a credit to Profit and Loss representing a yearly adjustment of this unredeemed ticket balance?

Answer. For the reason that the item of \$34,000 represents accruals over a period of years it is permissible to credit this sum to profit and loss account No. 806, "Miscellaneous credits." Future annual adjustments, however, shall be credited to operating revenue account No. 101, "Passenger revenue."

CASE 322.

Query. This company, in 1907, sold \$300,000 (par value) of bonds at a discount of \$16,000. These bonds will mature in 1916, nine years after the date of sale. Is it correct to charge income account No. 222, "Amortization of discount

on funded debt," annually with one-ninth of the total discount of \$16,000, beginning with the fiscal year ending June 30, 1915? As the bonds mature on June 30, 1916, there will have been amortized on that date but two-ninths of the total discount of \$16,000, or \$3,555.55. How shall the remainder of the discount, \$12,444.45, be extinguished?

Answer. As the bonds were sold prior to the effective date of the Classification of Expenditures for Road and Equipment, First Issue, effective January 1, 1909, it will not be necessary at this time to adjust the road and equipment accounts (assuming that all the discount was charged to road and equipment accounts) by charging such discount to income or profit and loss accounts, unless the carrier desires to make such adjustment. If it is desired to exclude the entire amount of discount from the property investment account, the income accounts for the fiscal years ending June 30, 1915 and 1916, may be charged with their respective proportions (\$1,777.78), and the remainder (\$12,444.44) may be charged to profit and loss account No. 313, "Debt discount extinguished through surplus."

CASE 323.

Query. To what account should be charged an amount refunded to a shipper in connection with an overcharge due to an error by one of our agents in misrouting?

Answer. The amount of the overcharge shall be charged to account No. 107, "Freight revenue."

CASE 324.

Query. A company acquired, through a receiver's sale, another railway property and assumed all of the outstanding obligations, which were promptly paid. Subsequently there was presented a claim for an attorney's fees for services rendered to the receiver. To what account should this fee be charged?

Answer. If the attorney's fee is an expense which your company properly is bound to assume as purchaser, the amount of the fee shall be charged to road and equipment account No. 527, "Cost of road purchased."

CASE 325.

Query. To what account should be charged the cost of driving a well to furnish water to condensers?

Answer. To account No. 539, "Power plant buildings," in the classification for road and equipment.

CASE 326.

Query. To what account should be charged the cost of keys for switch locks?

Answer. To operating expense account No. 67, "Miscellaneous car-service expenses."

CASE 327.

Query. To what account should an electric railway charge payments made to another company as a proportion of receipts from passengers carried over a viaduct owned by the other company, the tracks being owned and maintained by the railway company?

Answer. To operating expense account No. 97, "Rent of tracks and facilities." (See Case 20.)

CASE 328.

Query. An electric railway company carries some cans of milk on a branch line over which there is no express service, turning them over to a local express company under contract for handling on the main line. To what account should be credited the receipts for the transportation over the branch line, the payments for the transportation over the main line being made by the express company and credited to "Express revenue"?

Answer. Assuming that the transportation of milk on the branch line is conducted by an arrangement with the express company, credit shall be made to operating revenue account No. 105, "Express revenue."

CASE 329.

Query. To what account should be charged the cost of lightning arresters?

Answer. The cost of lightning arresters shall be charged to operating expense account No. 22, "Distribution system"; No. 33, "Electric equipment of cars"; No. 34, "Locomotives"; No. 47, "Power plant equipment"; No. 48, "Substation equipment"; or No. 49, "Transmission system," according to the location or purpose of the installation.

CASE 330.

Query. To what account should an electric railway company credit amounts received from the subleasing of a portion of a building leased by it for use in operation?

Answer. The amounts received shall be credited to operating revenue account No. 117, "Rent of buildings and other property."

CASE 331.

Query. To what account should be credited amounts received from an express company as extra compensation for the services of trainmen in handling express matter?

Answer. To the operating expense account to which the trainmen's pay is charged.

CASE 332.

Query. To what accounts should be credited amounts received from other lines for their proportions of wages and expenses at joint stations.

Answer. To the accounts to which the wages and expenses are first charged.

CASE 333.

Query. How should a lessee company account for the interest paid on the bonds of a lessor company in accordance with the terms of the rental agreement between them?

Answer. The amounts so paid shall be included in the lessee's income account No. 216, "Rent for leased roads," and correspondingly included in the lessor's account No. 208, "Income from lease of road."

CASE 334.

Query. To what account should be charged the cost of tools and brushes purchased for the use of carpenters and painters employed generally in the maintenance of way and structures on an interurban railway?

Answer. The cost shall be apportioned between account No. 19, "Miscellaneous way expenses," and account No. 24, "Buildings, fixtures, and grounds."

CASE 335.

Query. Sanitary drinking-cup vending machines are installed under a perpetual lease agreement by the terms of which the machines are to be returned to the manufacturer whenever the use of the cups is discontinued. The cups are placed in the vending machines and distributed in stations and cars by means of penny slot.

(1) To what account should be charged the machines and cups when purchased?

(2) To what account should be credited the revenue received from the cup machines?

Answer. (1) The cost of the vending machines shall be charged to account No. 537, "Furniture," or to account No. 530, "Passenger and combination cars," according to whether they are installed in stations or in cars. The cost of the cups shall be charged to account No. 67, "Miscellaneous car-service expenses," or to account No. 69, "Station expenses," according to where the cups are installed.

(2) The revenue from the sale of the drinking cups shall be credited to account No. 110, "Station and car privileges."

CASE 336.

Query. Curbing is placed between a reservation in the center of the street for the use of cars and that portion of the street used by teams. The curbs are for the purpose of keeping street traffic from the tracks. To what account should be charged the curbing along the side of the neutral strip not owned by the company?

Answer. The original cost of curbing between the space reserved for tracks in a public way and that used by other vehicles shall be charged to road and equipment account No. 516, "Crossings, fences, and signs," and the cost of maintenance shall be charged to operating expense account No. 16, "Crossings, fences, and signs."

CASE 337.

Query. A railway company has installed interior telephones connecting its general offices, all of which are located in a leased building. To what account should be charged the cost of these interior telephones?

Answer. Interior telephones having the character of movable apparatus shall be charged to account No. 537, "Furniture." When interior systems are leased for use in general offices the rent shall be charged to account No. 89, "Miscellaneous general expenses."

CASE 338.

Query. A company operating an interurban electric railway system, and also an electric power and light system serving communities on or adjacent to its interurban lines, agreed to furnish electric current for lighting a certain church, a school, and residences as compensation for use of private property for right-of-way purposes for one of its interurban lines. To what account in the Uniform System of Accounts for Electric Railways should be charged the cost of the electric current?

Answer. The cost of furnishing electric current in exchange for the use of private property for right-of-way purposes shall be charged to income account No. 217, "Miscellaneous rents." (See Cases 20 and 33.)

CASE 339.

Query. An interurban railway company, not engaged in a general freight business, moves steam railroad freight cars from one point to another, on two of its lines. The steam railroad freight cars are moved by being coupled to a work or service car. To what accounts should be credited the revenue derived from performing this service and to what accounts should be charged the cost thereof?

Answer. If the moving of the steam railroad freight cars is clearly but a switching service and is charged for at a rate per car, the credit shall be to account No. 108, "Switching revenue." Expenses in connection with the rendering of this service shall be charged to the appropriate operating expense accounts.

CASE 340.

Query. In what account in the general balance sheet should be included advances to a subsidiary corporation formed for the purpose of holding title to property not used for railroad purposes? The advances are for the purpose of enabling the subsidiary company to acquire real estate.

Answer. To account No. 405, "Investments in affiliated companies."

CASE 341.

Query. To what account should be charged the cost of painting switch targets mounted on and attached to switch stands? Also, to what account should be charged the cost of new switch targets purchased for switch stands on new installations?

Answer. The cost of labor painting switch targets mounted on and attached to switch stands shall be charged to operating expense account No. 8, "Track and roadway labor," and the material so used shall be charged to account No. 6, "Special work." The cost of original installations of switch targets mounted on and attached to switch stands shall be charged to road and equipment account No. 508, "Special work."

CASE 342.

Query. To what account should be charged amounts paid telegraph companies for fire alarm service?

Answer. To operating expense account No. 24, "Buildings, fixtures, and grounds," or No. 46, "Power plant buildings, fixtures, and grounds," as may be appropriate.

CASE 343.

Query. To what account should be charged the cost of maps and drawings prepared by draftsmen in the maintenance of way and structures department and used in connection with personal injury claims and suits growing out of operation of passenger cars?

Answer. Wages and materials for such work shall be charged to operating expense account No. 92, "Injuries and damages."

CASE 344.

Query. (1) Should the wages of trainmen operating work trains engaged in maintenance be charged to account No. 66, "Miscellaneous car-service employees," or charged directly to the maintenance accounts affected?

(2) Should the cost of power used by work trains also be charged to maintenance accounts?

Answer. (1) The wages of trainmen operating work trains engaged in maintenance shall be charged to the maintenance accounts benefited.

(2) The cost of power used by work trains may be included in the appropriate operating expense accounts as a part of the cost of maintenance. The corresponding credit for such charges to maintenance accounts shall be made to account No. 61, "Power transferred—Credit." (*See text of account No. 61.*)

CASE 345.

Query. To what account should be charged the cost of uniforms given to trainmen who attain a perfect record, according to rules laid down by the company, in the prevention of accidents?

Answer. To account No. 89, "Miscellaneous general expenses."

CASE 346.

Query. To what account should be charged an amount paid annually to a water company for installation of a connection with a fire-protection system in the company's car barns? The fact of having this connection reduces the insurance premium.

Answer. To account No. 24, "Buildings, fixtures, and grounds."

CASE 347.

Query. An electric railway at present in operation does its own construction work. Is it permissible to charge a percentage on all material and labor used on such construction to cover contractors' profits?

Answer. It is not permissible to charge the construction accounts with a percentage or amount representing contractors' profits, if by the term "contractors' profits" is meant the equivalent of a clear profit over and above the actual cost of construction. The road and equipment classification requires that all charges to property accounts "shall be based upon the actual cost of the property," and, therefore, an arbitrary charge to construction, representing contractors' profits on work being done by the company itself, is clearly contrary to the Commission's accounting rules.

CASE 348.

Query. To what account should be charged an attorney's fee in connection with a suit to annul an electric-light franchise?

Answer. To operating expense account No. 86, "Law expenses," unless the lighting business is accounted for as an auxiliary operation, in which case the expense shall be charged to income account No. 214, "Auxiliary operations—Expenses." (*See Case 362.*)

CASE 349.

Query. A company was required under the terms of its franchise to do extensive grading in connection with the initial construction of tracks. No distinction was made as between the amount of grading which would have been

necessary to construct an electric road and the amount of grading done in excess thereof in order to comply with the city's requirements. Will it be proper to charge the entire cost of such grading to road and equipment account No. 504, "Grading"?

Answer. The entire cost of grading a street in connection with the initial construction of the track shall be included in road and equipment account No. 504, "Grading." (See Case 162.)

CASE 350.

Query. To what account should be charged the cost of installing catch basins at the side of a city street for the purpose of carrying off surface water?

Answer. To road and equipment account No. 502, "Right of way." (See Cases 42 and 361.)

CASE 351.

Query. A company owning certain ocean-front lots, the cost of which is included in road and equipment account No. 503, has found it necessary to construct a sea wall to prevent the land from being washed away. To what account should the cost of the wall be charged?

Answer. To account No. 503, "Other land used in electric railway operations."

CASE 352.

Query. To what account should be charged an assessment against a street railway company for its share of the cost of elimination of a grade crossing, resulting from the elevation of a steam road crossing over that of the electric railway?

Answer. To road and equipment account No. 516, "Crossings, fences, and signs."

CASE 353.

Query. To what account should be charged an electric railway's proportion of the cost of building a city street over the electric railway's right of way?

Answer. To road and equipment account No. 516, "Crossings, fences, and signs."

CASE 354.

Query. Occasionally a company sells material from stores and a small percentage is added to cover the expense of handling, etc. To what account should the added percentage be credited?

Answer. As the added percentage represents principally cost of handling, it shall be credited to operating expense account No. 95, "Store expenses." (See Case 6.)

CASE 355.

Query. Under the terms of a mortgage a company is required to keep the proceeds of certain bonds in a fund to be used only in payment for newly acquired property. Under what balance-sheet account should the amount of this fund be entered?

Answer. If such funds are held by trustees or have been specially deposited, the amount thereof shall be included in balance-sheet account No. 408, "Special deposits."

CASE 356.

Query. A number of years ago a company sold bonds at par. These bonds are now due and refunding mortgage bonds, due 25 years hence, are being

issued at 90. Is it permissible to amortize the 10 per cent discount on the refunding mortgage bonds throughout the 25 years?

Answer. The 10 per cent discount on the refunding mortgage bonds shall be amortized over the life of such bonds by uniform monthly charges to income account No. 222, "Amortization of discount on funded debt."

CASE 357.

Query. In what balance-sheet account should be included interest paid in advance on notes payable?

Answer. In account No. 420, "Other unadjusted debits."

CASE 358.

Query. (1) To what account should be charged the cost of labor for changing advertising cards in cars?

(2) To what account should be credited the revenue received for the privilege of placing these cards in cars?

Answer. (1) To operating expense account No. 78, "Other transportation expenses," unless the employees performing such work are also engaged in other duties, and the amount involved in connection with changing or caring for the cards is small and not readily ascertainable, in which case there is no objection to including such expense in the account to which such employees' wages are ordinarily charged.

(2) To operating revenue account No. 110, "Station and car privileges."

CASE 359.

Query. (1) To what account should be charged the cost of labor removing ballast, ties, rails, rail fastenings and joints, and special work in connection with the renewal of such material?

(2) To what account should be charged the cost of labor removing foundations for elevated structures, bridges, trestles, and culverts, general office buildings, shops, and carhouses in connection with renewals?

Answer. (1) To operating expense account No. 8, "Track and roadway labor."

(2) To the operating expense accounts to which are chargeable the cost of repairs of the structures. (See Case 266.)

CASE 360.

Query. To what account should be charged commissions allowed trustees acting under a sinking-fund provision of a mortgage, for redeeming bonds?

Answer. To income account No. 225, "Miscellaneous debits."

CASE 361.

Query. To what account should be charged the cost of track drips installed for draining tracks? These drips are installed without regard to street intersections or crossings, depending entirely on the condition of the soil.

Answer. The original cost of such drips, whether installed with new construction or subsequent thereto, shall be charged to road and equipment account No. 504, "Grading."

The cost of labor repairing or renewing track drips shall be charged to operating expense account No. 8, "Track and roadway labor." Material used in connection therewith shall be charged to account No. 9, "Miscellaneous track and roadway expenses." (See Case 350.)

CASE 362.

Query. To what account should be charged expenses in connection with handling electric light and power accounts, including cost of meter reading, billing, and collecting by clerks connected with the general office?

Answer. If the light and power business is not accounted for as an auxiliary operation, the expenses in connection with the handling of the electric light and power accounts shall be included in the appropriate general expense accounts for the railway business. Expenses in connection with the reading of meters and the billing and collecting of light and power bills shall be charged to operating expense account No. 84, "Salaries and expenses of general office clerks."

If the light and power business is accounted for as an auxiliary operation, the expenses in connection with the handling of electric light and power accounts, including meter reading, billing, and collecting, shall be charged to account No. 214, "Auxiliary operations—Expenses," and if any of such expenses are included in the railway operating expense accounts they should be cleared therefrom by crediting operating expense account No. 100, "Other operations—Cr.," and charging account No. 214. (*See paragraphs 2 and 3 on page 17 of the Uniform System of Accounts for Electric Railways and Cases 28, 188, 198, 243, 300, and 348.*)

CASE 363.

Query. To what account should be charged amounts paid for alleged damage to water and gas pipes by electrolysis?

Answer. To operating expense account No. 92, "Injuries and damages."

CASE 364.

Query. To what account should be charged the cost of handling patterns which are kept in the custody of the stores department?

Answer. To operating expense account No. 95, "Store expenses."

CASE 365.

Query. Stoves have been installed in a company's cars for the purpose of heating by the hot-water system. To what accounts should be charged the cost of installing the stoves and piping, and repairs thereto?

Answer. The original cost of the stoves and piping shall be charged to road and equipment account No. 590, "Passenger and combination cars," or No. 531, "Freight, express, and mail cars," as may be appropriate.

The cost of repairs shall be charged to operating expense account No. 30, "Passenger and combination cars," or No. 81, "Freight, express, and mail cars," as may be appropriate.

The cost of fuel shall be charged to operating expense account No. 67, "Miscellaneous car-service expenses."

CASE 366.

Query. To what account should be charged the rent paid by a company for a power-plant building, power-plant equipment, and transmission lines? The lessee company has the exclusive use and maintains and operates the property leased. The amount of rent paid represents interest on investment only.

Answer. To income account No. 217, "Miscellaneous rents." (*See Case 283.*)

CASE 367.

Query. To what account should be charged the cost of teaming materials, and cost of tools, used in construction?

Answer. The cost of hauling track material by team for construction purposes should be charged as follows:

To account No. 504, "Grading," if the cost of material is chargeable thereto; and to account No. 505, "Ballast," if the cost of the material is chargeable thereto (the cost of final distribution of ballast shall be charged to account No. 510, "Track and roadway labor"). The cost of teaming ties, rails, rail fastenings, special work, and material for underground construction, from storerooms or supply yards in final distribution, shall be charged to account No. 510, "Track and roadway labor." (*See Case 377.*)

The cost of tools purchased for use in construction shall be charged to the same primary account as the cost of work on which they are used. If, however, the tools are used generally, making it impracticable to distribute the cost to the several accounts affected, it may be charged to account No. 529, "Other expenditures—Way and structures." (*See third paragraph of section 3 and section 10 of the general instructions on pages 92 and 93 of the Uniform System of Accounts for Electric Railways and Cases 76 and 137.*)

CASE 368.

Query. An electric railway crosses a steam railroad at grade and shares in the expense of maintaining the crossing. To what account should be charged the electric railway's proportion of the cost of maintaining this crossing?

Answer. The electric railway company's proportion of the cost of labor and material shall be charged to the same accounts as if the electric railway did the work itself; for example, if the material used is chargeable to accounts Nos. 2 to 7, inclusive, the cost of labor shall be charged to account No. 8, "Track and roadway labor." If repairs are made to signals or interlocking apparatus, the labor and material shall be charged to account No. 17, "Signal and interlocking apparatus."

CASE 369.

Query. A company built an extension to its line, and property owners served by the extension agreed to pay \$25,000 toward the cost thereof. How should this contribution be accounted for?

Answer. The amount donated by the property owners shall be credited to profit and loss account No. 305, "Donations." The cost of constructing the extension shall be included in the appropriate road and equipment accounts. (*See the second paragraph of the text and the note of account No. 305, "Donations."*)

CASE 370.

Query. In connection with the reconstruction of a track over which operations are being conducted at the same time, it is necessary to have flagmen and watchmen, stationed at the place where the work is being done, to regulate the operation of cars and direct passengers. To what account should the wages of such employees be charged?

Answer. To account No. 66, "Miscellaneous car-service employees."

CASE 371.

Query. Is it permissible to credit operating revenue accounts with amounts representing the cost of transporting men engaged, and materials used, in the operations of a company?

Answer. The rules contained in the Uniform System of Accounts do not permit charging operating expenses and concurrently crediting operating revenues

with amounts representing the cost of transporting men engaged in and material to be used for maintenance and operation.

Charges made to construction accounts for the actual cost (or an estimate thereof) of transporting men and material for construction purposes shall be credited to operating expense general account VII, "Transportation for investment—Cr.," if the cost of such transportation was charged in the original distribution to operating expenses. (*See Cases 60 and 114.*)

CASE 372.

Query. To what account should be charged the amount of a premium paid on a bond given the United States Government in order to qualify a carrier to transport merchandise in bond?

Answer. To operating expense account No. 89, "Miscellaneous general expenses."

CASE 373.

Query. To what accounts should be charged rent and taxes on land leased for freight-house purposes?

Answer. The rent shall be charged to income account No. 217, "Miscellaneous rents," and the taxes to income account No. 215, "Taxes assignable to railway operations."

CASE 374.

Query. To what account should be charged amounts paid for the privilege of erecting poles to support distribution and transmission lines?

Answer. To account No. 23, "Miscellaneous electric line expenses," or No. 49, "Transmission system," as may be appropriate. (*See Case 20.*)

CASE 375.

Query. Should the cost of all purchased power be charged to operating expense account No. 59, "Power purchased," or may the amount of power used by a work train be charged directly to the appropriate maintenance accounts?

Answer. The cost of all power purchased shall be charged to account No. 59, "Power purchased," as required by the text thereof. In this connection see the text of account No. 61, "Power transferred—Credit." (*See Cases 140 and 165.*)

CASE 376.

Query. A portion of a company's track was laid upon a street which was later regraded by the municipality for the purpose of eliminating hills. The cost of regrading that portion of the street lying under the tracks was assessed against the company. To what account should be charged the amount of this assessment?

Answer. To road and equipment account No. 504, "Grading."

CASE 377.

Query. What is meant by the term "except final distribution" as found in road and equipment accounts Nos. 505, "Ballast"; 506, "Ties"; 507, "Rails, rail fastenings, and joints"; 508, "Special work"; and 509, "Underground construction"?

Answer. By this term is meant expenses incident to the distribution of ballast, ties, rails, rail fastenings and joints, special work, and materials used in under-

ground construction from the storehouse or delivery point to the place where such material enters into construction. (*See Cases 114 and 367.*)

CASE 378.

Query. What is meant by the term "cost of transporting." as used in operating expense general account VII, "Transportation for investment—Cr."? Is this term intended to include items of taxes, interest, or return upon investment?

Answer. By this term is meant such expenses as have been, for practical reasons, temporarily charged to operating expense accounts, but which are properly includible as a part of the cost of construction. No credit shall be made to this account for such items as taxes, interest, or return upon investment, as these are not included in operating expenses. (*See Case 59.*)

CASE 379.

Query. Is it proper to distribute the pay of officials in charge of the engineering and track-maintenance departments, who devote part of their time to construction, upon the basis of charges to construction and operating expenses?

If clerks in an executive office give substantially all of their time to the preparation of work orders and authorizations for construction expenditures, should their salaries and expenses be charged to road and equipment accounts?

Answer. If all or a substantial proportion of the time of officers in charge of the engineering or track-maintenance departments and of clerks employed in executive offices is devoted to construction work, it is proper to include in the construction accounts an equitable proportion of their salaries, such proportion being based upon the amount of time devoted to construction work. (*See paragraph 11 of the general instructions contained on page 93 of the Uniform System of Accounts for Electric Railways.*)

CASE 380.

Query. To what account should be charged the cost of an electric track switch installed in connection with new track?

Answer. To road and equipment account No. 508, "Special work."

CASE 381.

Query. A railway company has purchased a gravel pit in order to secure gravel for ballast.

(1) To what account should be charged the cost of the land purchased for gravel purposes?

(2) To what account should be charged the wages of employees engaged in excavating and transporting gravel?

(3) To what account should be credited the proceeds of incidental sales of gravel?

Answer. When the company does not use a clearing account as provided in Note A of operating expense account No. 2, "Ballast," or road and equipment account No. 505, "Ballast," the accounting shall be as follows:

(1) The cost of land bought for gravel purposes shall be charged to road and equipment account No. 503, "Other land used in electric railway operations." Any reduction in the value of the property due to the removal of gravel shall be credited to account No. 503 and included in the cost of the ballast.

(2) The wages of employees excavating and transporting gravel for company use shall be charged to operating expense account No. 2, "Ballast," or road and equipment account No. 505, "Ballast," as may be appropriate.

(3) If the railway company excavates the ballast, the proceeds of such incidental sales shall be credited to account No. 119, "Miscellaneous." If the vendee excavates the ballast, the profit (over and above the cost to the carrier of the gravel excavated) realized from the sale shall be credited to income account No. 212, "Miscellaneous income." (See Case 98.)

CASE 382.

Query. To what account should be charged payments for loss and damage to clothing and other personal apparel not carried as baggage?

Answer. To account No. 92, "Injuries and damages."

CASE 383.

Query. In relocating its line an electric railway purchased a piece of unimproved city property abutting on a street which is to be paved. None of the paving will be laid on the land used for right of way. To what account should the paving assessment be charged?

To what account should be charged the initial cost of paving a street adjacent to lots used for Y-track purposes?

Answer. The amount of the assessment and the initial cost of such paving shall in each case be included in the same account as the cost of the abutting property.

CASE 384.

Query. To what account should be charged amounts paid in settlement of injury and damage claims for accidents occurring in an amusement park when operated (1) for the purpose of attracting traffic, or (2) as an auxiliary operation? (3) To what account should be charged insurance premiums on structures and buildings located in a park operated for the purpose of attracting traffic?

Answer. (1) To account No. 81, "Parks, resorts, and attractions." (2) To account No. 214, "Auxiliary operations—Expenses." (3) To account No. 81, "Parks, resorts, and attractions."

CASE 385.

Query. A railway company has deposited a number of its bonds with a trust company as collateral for short-term trust notes. How should the deposited bonds be accounted for?

Answer. The par value of the deposited bonds shall be credited to balance sheet account No. 427, "Funded debt unmatured," and correspondingly charged to account No. 422, "Securities issued or assumed—Pledged," unless the bonds had previously been issued and are held in the company's treasury, in which case account No. 421, "Securities issued or assumed—Unpledged," shall be credited and account No. 422 debited with their par value. In reporting these bonds in the annual report to the Interstate Commerce Commission the par value thereof shall be deducted, in the short column, from the total book liability and, likewise, reported in the short column on the asset side of the balance sheet (in account No. 422).

CASE 386.

Query. To what account should be charged the wages of freight-car inspectors, whose duty it is to pass on freight equipment received in interchange with foreign lines under Master Car Builders' Association rules and to inspect air brakes and trucks of freight cars before such cars leave terminals?

Answer. The wages of such inspectors shall be charged to operating expense account No. 70, "Carhouse employees," as provided in Case 304, unless the primary purpose of the inspection is to ascertain needed repairs, in which case account No. 31, "Freight, express, and mail cars," shall be charged.

CASE 387.

Query. A company is required by a municipality to move its poles from the center to the side of the street. To what account should the cost of removing the poles be charged?

Answer. If no additions and betterments were made in connection with the transfer of the poles, the expense of their removal shall be charged to operating expense account No. 20, "Poles and fixtures." (See Case 264.)

CASE 388.

Query. Does the term "regular rail equipment," contained in Case 274, include cars in commercial service only, or does it include steam shovels, unloaders, track pile drivers, and other service equipment?

Answer. The term as used in Case 274 is intended to include all equipment permanently mounted on trucks and moving over the company's tracks.

CASE 389.

Query. A company maintains and operates an interurban union station solely for the benefit of several tenant companies. All of the expenses of the station company are borne by the tenant companies upon the basis of ticket sales, freight tonnage, and baggage handled. To what account should the tenant companies charge their proportion of these expenses? No other rental is paid by the tenant companies.

Answer. The proportion of the cost of operating the union station, borne by the tenant companies, shall be charged to operating expense account No. 97, "Rent of tracks and facilities."

CASE 390.

Query. To what account should be charged the cost of installing "first aid" packages in cars and shops?

Answer. The cost of installing "first aid" chests or cabinets which are of a permanent nature shall be charged to the appropriate road and equipment account, according to the class of equipment or structure. If, for instance, the chests or cabinets are installed in passenger cars, the cost shall be charged to road and equipment account No. 530, "Passenger and combination cars," and if in shops, to account No. 523, "Shops and carhouses." The cost of the contents of such chests and cabinets, such as bandages, drugs, and other supplies, when purchased to replace similar supplies consumed in operation, shall be charged to operating expense account No. 92, "Injuries and damages."

CASE 391.

Query. To what account should be charged the cost of maintaining passimeter turnstiles located at elevated and subway stations?

Answer. To operating expense account No. 24, "Buildings, fixtures, and grounds."

CASE 392.

Query. To what account should be credited amounts collected from connecting carriers for hauling freight cars at a flat rate per car?

Answer. To operating revenue account No. 107, "Freight revenue," or No. 108, "Switching revenue," as may be appropriate.

CASE 393.

Query. To what account should be charged employers' liability insurance premiums paid in connection with construction work?

Answer. To the primary road and equipment accounts to which is chargeable the cost of the work upon which the employees are engaged. If it is impracticable to include the cost of insurance in the appropriate account under the general accounts "Way and structures," "Equipment," and "Power," the cost of such insurance should be included in road and equipment account No. 550, "Miscellaneous," as provided in the text thereof.

CASE 394.

Query. To what account should be charged the cost of lanterns, oil, wicks, and similar supplies, and the wages of watchmen in connection with the construction of new track?

Answer. The cost of the lanterns, oil, wicks, and similar supplies shall be included in the same primary road and equipment accounts as the cost of the work in connection with which they are used. If it is impracticable to thus distribute the cost of such items, it shall be included in account No. 529, "Other expenditures—Way and structures."

The wages of watchmen employed in construction work (the labor on which is chargeable to road and equipment account No. 510) shall be charged to account No. 510, "Track and roadway labor."

CASE 395.

Query. A company has installed dynamotor compressors in its passenger cars for the purpose of generating energy to supply air for air brakes and power for lighting cars and operating the control apparatus. To what account should be charged the cost of maintaining the dynamotor compressors?

Answer. To account No. 80, "Passenger and combination cars."

CASE 396.

Query. A company owns a tract of land, part of which is used as a material yard. On a part of this land are also located a general office, power plant, car-house, and car shops. To what account should be charged a sewer assessment levied against such property?

Answer. To account No. 503, "Other land used in electric railway operations." (See Cases 2, 85, and 161.)

CASE 397.

Query. (1) To what account should be charged the cost of labor unloading and handling old ties and lumber shipped to a store yard for use later as company fuel?

(2) To what account should be charged the cost of labor unloading and handling new ties shipped to the store department and placed in stock?

Answer. (1) The cost of such labor shall be included in an appropriate material and supply account representing the value of ties and lumber for fuel purposes.

(2) The cost of labor unloading and handling ties placed in stock shall be added to the cost of the ties.

CASE 398.

Query. To what account should be charged the fee and expenses of a consulting engineer and the cost of surveys for the purpose of mitigating electrolysis in city water mains?

Answer. To account No. 22, "Distribution system," if occasioned by the distribution system, or to account No. 49, "Transmission system," if occasioned by the transmission system.

If it can not be determined which of the systems should bear the whole charge, the expense shall be equitably distributed between accounts Nos. 22 and 49.

CASE 399.

Query. A company keeps extra sets of wheels on hand to be used to replace wheels removed from cars. How should the cost of these extra sets of wheels be accounted for?

Answer. The original cost of the extra sets of wheels shall be included, until used, in the appropriate material and supply account. When wheels are taken out of store and used to replace others worn out in service, the material and supply account shall be credited and the appropriate operating expense account charged.

CASE 400.

Query. To what account should be charged wages paid to conductors and motormen while "breaking in"?

Answer. To the same operating expense accounts as the wages of conductors and motormen engaged in regular employment.

CASE 401.

Query. To what account should be credited a penalty received from car builders owing to failure to deliver cars as per contract?

Answer. To the road and equipment account to which the cost of the cars has been charged.

CASE 402.

Query. An industry paid a sum of money to an electric railway company as an inducement to build a connecting track between its line and the line of another carrier. How should the entire transaction be accounted for?

Answer. The cost of building the connecting track shall be charged to the appropriate road and equipment accounts, and the amount received from the industry as an inducement to make the connection shall be credited to profit and loss account No. 305, "Donations," unless, as provided in the second paragraph of the text of account No. 305, there are conditions imposed requiring reimbursement for noncompliance.

CASE 403.

Query. A part of the road used by company A is owned by company B. Under a joint arrangement company A operates the stations on this portion of the line, billing company B for its portion of the joint expenses based on car mileage. To what account should amounts billed against company B be credited?

Answer. To the operating expense accounts which were originally charged with such expenses.

CASE 404.

Query. To what account should be charged the wages of electric railway wharf employees engaged in tying up incoming boats, casting off lines for departing boats, and performing general duties in connection with a water line?

Answer. To operating expense account No. 68, "Station employees."

CASE 405.

Query. To what account should be charged the cost of repairing a heating system which furnishes heat to the car shops, repair pits, and superintendent's office?

Answer. To operating expense account No. 24, "Buildings, fixtures, and grounds."

CASE 406.

Query. Is it permissible to spread the cost of repairs over the 12 months subsequent to the completion of the repair work, or should such expenses be charged out during the same fiscal year in which incurred?

Answer. The cost of repairs shall be included in the appropriate primary operating expense accounts as incurred. Equalization accounts (Nos. 28, 44 and 51) are provided to enable carriers to have each month's accounts reflect, by *general account* totals, an equitable monthly proportion of the estimated or authorized maintenance expense for the year, and at the same time to show the actual expenditures by primary accounts. (See Case 307.)

CASE 407.

Query. To what account should be charged the cost of copies of transcript of testimony taken in rate cases before commissions?

Answer. To account No. 86, "Law expenses."

CASE 408.

Query. To what account should be charged an amount paid monthly as royalty for a dumping device used on service equipment in which cinders, coal, and other supplies are hauled? The amount of the royalty is based on the number of carloads dumped.

Answer. If the equipment is used in revenue service, the charge shall be to operating expense account No. 67, "Miscellaneous car-service expenses"; if in the company's own operations, such as maintenance work, the charge shall be to the work benefited.

CASE 409.

Query. To what account should be charged a payment to a municipality of \$30,000 in lieu of the hauling of earth and material by the carrier as required by a provision in a newly acquired franchise?

Answer. The amount so paid shall be charged to road and equipment account No. 545, "Franchises," and amortized in accordance with the instructions contained in the texts of accounts No. 545, "Franchises," and No. 91, "Amortization of franchises."

CASE 410.

Query. A company owns a building in which are located a passenger station and the general and departmental offices. The passenger station is so located that all the expenses pertaining thereto can readily be determined, but there are expenses common to all the general and departmental offices which can not readily be distributed, such as heat, light, water, ice, and telephone. How should the above expenses be accounted for?

Answer. The expenses incident to the operation of the passenger station shall be charged to operating expense account No. 69, "Station expenses." All of the other expenses referred to shall be charged to the appropriate primary accounts under general account VI, "General and miscellaneous," except the cost of maintaining the building, which shall be charged to operating expense account No. 24, "Buildings, fixtures, and grounds."

CASE 411.

Query. To what account should be charged the amount of a judgment and costs in connection with the settlement of a suit brought by the United States against a company for violation of the Federal hours of service law?

Answer. The amount of the judgment shall be charged to profit and loss account No. 317, "Miscellaneous debits," and the costs of the suit to operating expense account No. 86, "Law expenses."

CASE 412.

Query. To what account should be credited an amount collected by a carrier as damages from a power company for failure to furnish necessary power to operate cars in accordance with its contract? The measure of damages was the loss of revenue because of the carrier's inability to operate its cars.

Answer. To profit and loss account No. 306, "Miscellaneous credits."

CASE 413.

Query. Under a State workmen's compensation act a company is liable for injuries sustained by employees while in the performance of their duties. The act provides that, by agreement with the beneficiaries, the compensation may be paid in a lump sum instead of in weekly payments over the required period. If the company elects to make weekly payments, should the total liability be set up on the books when it is determined or should the weekly payments be charged to operating expense account No. 92, "Injuries and damages," without setting up the total liability?

Answer. If the company maintains a reserve for injuries by monthly charges to operating expense account No. 92, "Injuries and damages," it would be proper to charge such reserve account as payments are made. If, however, the company does not maintain such a reserve, the total amount allowed as compensation for an injury shall be charged to operating expenses as soon as the amount to be paid is determined, preferably, if possible, in the fiscal year in which the injury occurred. The corresponding credit will record the liability, and it is then immaterial whether the amount is paid in one lump sum or in installments.

CASE 414.

Query. To what account should be charged the cost of maintaining a ticket bureau the functions of which are to contract for the printing of tickets and to distribute them among ticket agents?

Answer. The salaries and expenses of clerks employed in this bureau shall be charged to operating expense account No. 84, "Salaries and expenses of general office clerks." The cost of printing the tickets shall be charged to account No. 94, "Stationery and printing."

CASE 415.

Query. To what account should be charged the cost of repairing flags used on a general office building?

Answer.—To account No. 85, "General office supplies and expenses."

CASE 416.

Query. To what account should be charged the cost of installing an overhead trolley wire and special switches used in connecting current on a ferry boat which carries passenger coaches?

Answer. To account No. 521, "Distribution system."

CASE 417.

Query. To what account should be charged the cost of labor, fuel, and supplies necessary in connection with the operation of a steam shovel used in excavating ballast for maintenance purposes?

Answer. The cost of labor in connection with such excavating, together with all expenses incident thereto, including fuel and supplies for the steam shovel, shall be charged to operating expense account No. 2, "Ballast."

CASE 418.

Query. To what account should be charged the cost of power purchased for lighting arc lights furnished under a franchise requirement?

Answer. To operating expense account No. 59, "Power purchased."

CASE 419.

Query. To what account should be charged the rent of motor busses used for transporting passengers during the progress of reconstruction work?

Answer. To operating expense account No. 98, "Rent of equipment."

CASE 420.

Query. To what account should be charged the cost of constructing steam mains and distributing pipes for conveying steam along city streets from a power house to various buildings where the steam is used for heating purposes?

Answer. To road and equipment account No. 524, "Stations, miscellaneous buildings, and structures."

CASE 421.

Query. To what account should be charged the cost of general officers' business cars?

Answer. To road and equipment account No. 532, "Service equipment."

CASE 422.

Query. To what account should be charged the salary and expenses of a chief special agent who supervises investigations made by his assistants for a number of departments?

Answer. The salary and expenses of the chief special agent shall be charged to operating expense account No. 83, "Salaries and expenses of general officers."

CASE 423.

Query. To what account should be charged the rent of fire plugs placed inside and adjacent to car barns to be used only in case of fire?

Answer. To operating expense account No. 24, "Buildings, fixtures, and grounds."

CASE 424.

Query. To what account should be charged the cost of taking off, oiling, and testing lightning arresters on cars?

Answer. To operating expense account No. 33, "Electric equipment of cars."

CASE 425.

Query. To what account should be charged the wages of a shop foreman who is on sick leave?

Answer. When an employee is unable to perform his duties on account of sickness and his wages are paid during such absence, and no special action has been taken, the amount paid shall be charged to the accounts to which his time would have been charged if he had been at work. If, however, a welfare plan has been adopted by the company and payments are made in conformity therewith, or if special action has been taken by the officers of the company in relation thereto, such payments shall be charged to operating expense account No. 88, "Pensions and gratuities." (See Cases 10, 52, 110, and 425.)

CASE 426.

Query. A railway company has leased its power station to another company for a period of 20 years, and in connection with the lease incurred special legal and other expenses. To what account should such expenses be charged?

Answer. To income account No. 204, "Miscellaneous rent income."

CASE 427.

Query. To what account should be charged the cost of newspaper advertising for the purpose of calling attention to new forms of transfers, discontinuance of the operation of ferryboats, and to unusual service, such as New Year's Eve and other times?

Answer. To operating expense account No. 80, "Advertising."

CASE 428.

Query. Is revenue account No. 116, "Rent of equipment," intended to cover amounts received for the use of rail equipment only, or is it intended to include rent of all equipment mentioned in road and equipment accounts Nos. 530 to 538, inclusive?

Answer. Operating revenue account No. 116, "Rent of equipment," is intended to include the rent received for use of any equipment included in road and equipment accounts Nos. 530 to 538, inclusive.

CASE 429.

Query. To what account should be charged the cost of replacing an air hose lost or stolen from a steam road freight car while upon an electric railway's tracks?

Answer. To operating expense account No. 81, "Freight, express, and mail cars."

CASE 430.

Query. A contractor obtained a judgment against a railway company for grading its right of way. Several of the bondholders purchased the judgment, which has not been paid by the railway company. How should this transaction be recorded in the accounts of the carrier?

Answer. The amount of the judgment shall be charged to road and equipment account No. 504, "Grading," and a corresponding credit to represent the company's liability shall be made to balance-sheet account No. 432, "Miscellaneous accounts payable."

CASE 431.

Query. In what account should be included the proceeds derived from the sale of waste paper and old records?

Answer. The amount of such proceeds shall be credited to account No. 119, "Miscellaneous."

CASE 432.

Query. To what extent should detailed information be shown in the general books of electric railway companies?

Answer. The records shall be kept with sufficient particularity to show fully the facts pertaining to all entries made in the accounts. Where the full information is not recorded in the general books the entries therein shall be supported by other records in which the full details shall be shown. Such general book entries shall contain sufficient reference to the detail records to permit ready identification of the latter, and the detail records shall be kept in such manner as to be readily accessible when required for examination by representatives of the Interstate Commerce Commission.

CASE 433.

Query. What should be the accounting for commissions paid to brokers for the purchase of the securities of other companies?

Answer. The amount of such commissions shall be considered as a part of the cost of the securities purchased.

CASE 434.

Query. Is it required that all materials and supplies be carried through the materials and supplies account?

Answer. No. Materials and supplies purchased for a specific purpose or for immediate use may be charged to the accounts affected and need not be carried through account No. 411, "Material and supplies."

CASE 435.

Query. Does the Uniform System of Accounts for Electric Railways require that assets be specifically set aside to cover sinking-fund appropriations?

Answer. No. The setting aside of assets usually depends upon the provisions of the mortgage or upon the policy of the company. If assets are set aside they shall be carried in account No. 402, "Sinking funds."

CASE 436.

Query. What should be the accounting for amounts paid or received for options to bind a proposed purchase, sale, or lease?

Answer. Amounts paid for options shall, pending final disposition, be charged to account No. 420, "Other unadjusted debits." If the general project for which the option was obtained is finally carried out, the cost of the option shall be considered as part of the price or rental paid and charged to the appropriate asset, income, or other account. If the general project is finally abandoned, the cost shall be charged to account No. 317, "Miscellaneous debits."

Amounts received for options given by the company shall, pending final disposition, be credited to account No. 446, "Other unadjusted credits." If the transaction is made as contemplated, the amount received shall be considered as a part of the price or rental received and credited to the appropriate account. If the option is forfeited, the amount originally received by the company shall be credited to account No. 306, "Miscellaneous credits."

CASE 437.

Query. Should notes be treated as funded debt or a current liability if given when money is borrowed under an arrangement requiring a series of partial payments which commence within a year but extend over a period longer than one year?

Answer. Such notes shall be treated as funded debt and credited to account No. 427, "Funded debt unmatured."

CASE 438.

Query. When the expenses of a State utilities commission are borne by the utilities and apportioned among them, to what account should be charged an electric railway company's proportion of such expenses?

Answer. To account No. 215, "Taxes assignable to railway operations."

CASE 439.

Query. To what accounts should be charged the original cost and the cost of repairing portable fire-hose bridges?

Answer. The original cost of portable fire-hose bridges shall be charged to account No. 538, "Miscellaneous equipment," and the cost of repairs shall be charged to operating expense account No. 39, "Miscellaneous equipment expenses."

CASE 440.

Query. A company having a number of electric locomotives in service keeps on hand extra armatures and pantographs for emergency use in order to keep its equipment in service when similar parts are removed for repairs. To what account should be charged the cost of such extra armatures and pantographs? Is it permissible to accrue depreciation on such parts?

Answer. The cost of the extra armatures and pantographs shall be included in the appropriate road and equipment accounts, and accruals for depreciation thereon shall be accounted for in the same manner as for the equipment in connection with which they are used.

INDEX BY ACCOUNTS.

OPERATING EXPENSES.

Operating expense accounts—	Case.
for items involving coal fuel costs.....	145, 180, 181
for items involving labor transported free.....	232
for items involving material costs.....	143, 155
for maintenance in general.....	158, 232, 247, 274, 289, 306, 344
for maintenance of buildings.....	127
for maintenance of curbs along tracks.....	261
for maintenance of equipment.....	71, 296, 306
for maintenance of light plant.....	198, 316
for maintenance of track.....	251, 264
for maintenance of way and structures.....	139, 224, 289, 299
for operation of cars.....	4, 30, 339
for operation of light plant.....	198
for operation of shops and storerooms.....	19
for operation of stations.....	332
for power station maintenance.....	55, 234
for power station operation.....	108, 289
for wages of employees at general office.....	109
for wages of trainmen.....	148, 245, 318, 331
for wages of transportation employees.....	108, 109, 332
in general.....	1, 144, 300, 307

Way and structures:

1. Superintendence of way and structures.....	66, 80
2. Ballast.....	57, 98, 174, 381, 417
3. Ties.....	63, 192
4. Rails.....	271
5. Rail fastenings and joints.....	238, 270
6. Special work.....	32, 272, 341
8. Track and roadway labor.....	32,
35, 57, 60, 61, 266, 270, 271, 272, 291, 292, 319, 341, 359, 361, 368	
9. Miscellaneous track and roadway expenses.....	35, 51, 57, 61, 173, 291, 294, 319, 361
10. Paving.....	2, 70, 146, 174, 184, 251, 264, 279
11. Cleaning and sanding track.....	30, 61
12. Removal of snow and ice.....	117
13. Tunnels and subways.....	116
14. Elevated structures and foundations.....	116
15. Bridges, trestles, and culverts.....	51, 70, 194, 252, 260
16. Crossings, fences, and signs.....	62, 276, 336
17. Signal and interlocking apparatus.....	51, 260, 368
18. Telephone and telegraph lines.....	253
19. Miscellaneous way expenses.....	74, 88, 269, 334
20. Poles and fixtures.....	97, 249, 387
22. Distribution system.....	3, 97, 270, 287, 329, 398
23. Miscellaneous electric line expenses.....	34, 51, 73, 116, 209, 269, 374
24. Buildings, fixtures, and grounds.....	43,
51, 69, 74, 166, 212, 240, 259, 268, 269, 302, 334, 342, 346, 391, 403, 410, 423	
25. Depreciation of way and structures.....	154, 250
26. Other operations—Dr.....	7, 27
27. Other operations—Cr.....	7, 27, 188, 316
28. Equalization—Way and structures.....	192, 406

Equipment:

29. Superintendence of equipment.....	66, 290
30. Passenger and combination cars.....	4,
5, 13, 38, 54, 106, 120, 182, 189, 200, 210, 287, 365, 395	
31. Freight, express, and mail cars.....	4,
5, 13, 38, 106, 120, 182, 189, 210, 287, 365, 386, 429	

Equipment—Continued.**Case.**

32. Service equipment	5, 13, 14, 30, 38, 106, 120, 157, 182, 189, 210, 233, 287, 293, 294
33. Electric equipment of cars	5, 13, 14, 38, 157, 169, 233, 329, 424
34. Locomotives	4, 5, 38, 106, 120, 182, 210, 329
35. Floating equipment	268
36. Shop equipment	11, 95, 96, 158
37. Shop expenses	78, 209, 216
38. Vehicles and horses	18, 151
39. Miscellaneous equipment expenses	439
40. Depreciation of equipment	154, 250, 303, 309, 310, 311, 315
41. Equipment retired	183
42. Other operations—Dr	7, 27, 273
43. Other operations—Cr	7, 27, 188, 245, 273
44. Equalization—Equipment	192, 406
Power	23, 29, 300
45. Superintendence of power	66
46. Power plant buildings, fixtures, and grounds	51, 166, 195, 212, 269, 342
47. Power plant equipment	122, 130, 177, 211, 237, 329
48. Substation equipment	211, 233, 284, 329
49. Transmission system	20, 34, 51, 107, 175, 329, 374, 398
50. Depreciation of power plant buildings and equipment	154, 250
51. Equalization—Power	192, 406
56. Miscellaneous power-plant supplies and expenses	125, 208, 209, 216, 237, 283
58. Substation supplies and expenses	209, 216
59. Power purchased	7, 29, 140, 141, 165, 260, 375, 418
61. Power transferred—Cr	7, 21, 344, 375
62. Other operations—Cr	7, 23, 27, 29, 188, 198, 245, 300, 316
Conducting transportation	30
63. Superintendence of transportation	129, 187, 239, 304, 306
64. Passenger conductors, motormen, and trainmen	147
65. Freight and express conductors, motormen, and trainmen	147, 215
66. Miscellaneous car-service employees	59, 64, 70, 82, 248, 260, 344, 370
67. Miscellaneous car-service expenses	11, 38, 54, 65, 88, 95, 120, 125, 209, 287, 305, 326, 335, 365, 406
68. Station employees	15, 121, 201, 404
69. Station expenses	44, 68, 69, 121, 149, 167, 209, 216, 242, 335, 410
70. Carhouse employees	65, 304, 386
71. Carhouse expenses	206, 209, 212, 216
72. Operation of signal and interlocking apparatus	64
73. Operation of telephone and telegraph lines	68, 149, 167
75. Operation of steam locomotives	4
78. Other transportation expenses	58, 69, 199, 231, 239, 254, 260, 318, 358
Traffic:	
79. Superintendence and solicitation	15
80. Advertising	227, 427
81. Parks, resorts, and attractions	26, 384
General and miscellaneous	28, 41, 75
83. Salaries and expenses of general officers	179, 219, 302, 422
84. Salaries and expenses of general office clerks	66, 80, 295, 302, 362, 414
85. General office supplies and expenses	235, 415
86. Law expenses	86, 118, 128, 219, 348, 407, 411
87. Relief department expenses	10
88. Pensions and gratuities	10, 425
89. Miscellaneous general expenses	53, 68, 77, 103, 110, 111, 149, 167, 213, 235, 318, 337, 345, 372
91. Amortization of franchises	409
92. Injuries and damages	10, 52, 110, 111, 118, 150, 164, 280, 343, 363, 382, 390, 413
93. Insurance	53
94. Stationery and printing	12, 56, 123, 168, 206, 246, 255, 414
95. Store expenses	6, 22, 41, 66, 138, 203, 273, 302, 354, 364
96. Garage and stable expenses	18, 41, 151
97. Rent of tracks and facilities	327, 389
98. Rent of equipment	13, 45, 133, 141, 274, 314, 419
99. Other operations—Dr	7, 27, 273
100. Other operations—Cr	7, 27, 28, 41, 188, 273, 362
Transportation for investment—Cr	21, 59, 371, 378

OPERATING REVENUES.

Operating revenue accounts—	Case.
for freight charges	143
in general	1, 39
Revenue from transportation :	
101. Passenger revenue	49, 50, 160, 170, 205, 278, 286, 321
102. Baggage revenue	178
103. Parlor, sleeping, dining, and special car revenue	197, 263
105. Express revenue	93, 156, 178, 328
106. Milk revenue	285
107. Freight revenue	182, 323, 392
108. Switching revenue	339, 392
109. Miscellaneous transportation revenue	30, 171, 178, 317
Revenue from other railway operations :	
110. Station and car privileges	335, 358
115. Rent of tracks and facilities	142, 148
116. Rent of equipment	59, 428
117. Rent of buildings and other property	34, 37, 330
119. Miscellaneous	381, 431

INCOME.

Income accounts—	
for auxiliary operations	23
for interest, discount, and taxes	17
in general	1, 39
Credit accounts :	
202. Auxiliary operations—Revenues	188
203. Income from lease of road	142, 333
204. Miscellaneous rent income	37, 426
205. Net income from miscellaneous physical property	28, 301
208. Income from unfunded securities and accounts	308
209. Income from sinking fund and other reserves	312
211. Contributions from others	91
212. Miscellaneous income	25, 297, 381
Debit accounts :	
214. Auxiliary operations—Expenses	188, 198, 300, 348, 362, 384
215. Taxes assignable to railway operations	2, 20, 24, 28, 67, 81, 87, 163, 299, 373, 438
216. Rent for leased roads	333
217. Miscellaneous rents	8, 20, 33, 36, 81, 241, 338, 366, 373
219. Net loss on miscellaneous physical property	28, 301
220. Interest on funded debt	312
221. Interest on unfunded debt	267
222. Amortisation of discount on funded debt	86, 322, 356
225. Miscellaneous debits	77, 360

PROFIT AND LOSS.

Profit and loss accounts—	
for depreciation before July 1, 1914	183, 315
in general	1, 39
Credit accounts :	
305. Donations	369, 402
306. Miscellaneous credits	244, 321, 412, 436
Debit accounts :	
309. Appropriations of surplus to sinking fund and other reserves	312
310. Dividend appropriations of surplus	312
313. Debt discount extinguished through surplus	322
315. Loss on road and equipment retired	240
317. Miscellaneous debits	250, 313, 411, 436

GENERAL BALANCE SHEET.

General balance-sheet accounts—	
for coal supply	314
for maintenance reserve	139
for material purchased	155, 192
for stock liability	186
in general	1, 23, 39, 153

Debit accounts:

	Case.
402. Sinking funds.....	312, 483
404. Miscellaneous physical property.....	28, 300, 301
405. Investments in affiliated companies.....	340
407. Cash.....	312
408. Special deposits.....	298, 355
410. Miscellaneous accounts receivable.....	25
411. Material and supplies.....	145, 183, 434
418. Discount on funded debt.....	86
420. Other unadjusted debits.....	265, 357, 436
421. Securities issued or assumed—Unpledged.....	298, 385
422. Securities issued or assumed—Pledged.....	385

Credit accounts:

426. Grants in aid of construction.....	91
427. Funded debt unmatured.....	385, 437
443. Accrued depreciation—Road and equipment.....	183, 250, 296, 315
446. Other unadjusted credits.....	50, 436

ROAD AND EQUIPMENT.

Road and equipment accounts —

for bond discount prior to 1909.....	322
for buildings.....	126
for costs involving material purchased.....	22, 155
for costs involving power used.....	21
for costs involving rent of property.....	131, 257
for costs involving shop expenses.....	78
for costs involving temporary buildings.....	237
for costs involving tools used.....	76
for costs involving wages of trainmen.....	306
for curb and paving construction.....	261
for equipment costs.....	38, 71, 189, 196
for light business investment.....	153, 204, 300
for power business investment.....	153, 204
for power stations.....	229, 234
for track construction.....	21, 229
in general.....	1, 39, 144, 158, 218, 247, 265

Way and structures:

501. Engineering and superintendence.....	16
502. Right of way.....	42, 84, 85,
	119, 134, 161, 162, 172, 194, 207, 217, 262, 282, 301, 319, 350
503. Other land used in electric railway operations.....	134, 135, 228, 262, 351, 381, 396
504. Grading.....	35, 83, 119, 137, 191, 256, 258, 291, 320, 349, 361, 367, 376, 430
505. Ballast.....	98, 100, 221, 367, 377, 381
506. Ties.....	377
507. Rails, rail fastenings, and joints.....	72, 102, 223, 225, 238, 270, 377
508. Special work.....	72, 94, 341, 377, 380
509. Underground construction.....	113, 226, 377
510. Track and roadway labor.....	100, 113, 114, 193, 221, 270, 367, 394
511. Paving.....	2, 31, 42, 84, 85, 99, 100, 112, 134, 161, 184, 185, 236, 251, 264
512. Roadway machinery and tools.....	137, 173, 176
514. Elevated structures and foundations.....	115
515. Bridges, trestles, and culverts.....	80, 101, 115, 202, 225, 252
516. Crossings, fences, and signs.....	31, 62, 85, 117, 202, 230, 276, 282, 336, 352, 353
517. Signals and interlocking apparatus.....	94
518. Telephone and telegraph lines.....	253
519. Poles and fixtures.....	46
520. Underground conduits.....	226
521. Distribution system.....	46, 159, 198, 243, 416
523. Shops and car houses.....	16, 104, 105, 152, 390
524. Stations, miscellaneous buildings, and structures.....	101, 105, 134, 152, 240, 420
526. Park and resort property.....	26
527. Cost of road purchased.....	218, 324
529. Other expenditures—Way and structures.....	36, 181, 199, 367, 394

Equipment:

530. Passenger and combination cars.....	48,
	54, 106, 124, 200, 210, 275, 281, 885, 865, 890, 428
531. Freight, express, and mail cars.....	106, 124, 210, 281, 865, 428

Equipment—Continued.**Case.**

532. Service equipment	106, 124, 137, 210, 233, 281, 294, 421, 428
533. Electric equipment of cars	38, 48, 169, 233, 428
534. Locomotives	38, 106, 124, 210, 281, 428
535. Floating equipment	428
536. Shop equipment	96, 158, 428
537. Furniture	335, 337, 428
538. Miscellaneous equipment	288, 317, 428, 439
Power:	
539. Power-plant buildings	16, 101, 105, 190, 198, 222, 234, 325
541. Dams, canals, and pipe lines	90, 229
542. Power-plant equipment	122, 124, 130, 177, 190, 196, 198, 211
543. Substation equipment	196, 211, 214, 233, 284
544. Transmission system	107, 198
General and miscellaneous:	
545. Franchises	409
546. Law expenditures	128, 220
547. Interest during construction	17, 308
550. Miscellaneous	9, 42, 53, 136, 199, 393

INDEX BY TOPICS.

	Case.
Abutments of bridges over undergrade crossings, installation of-----	202
Accidents. (<i>See Disability, Injuries, Inquest.</i>)	
Accounts, apportionment, for segregating lighting system maintenance-----	116
clearing, permissible use of-----	6, 92, 98, 116
electric and power, expense in connection with-----	362
equalization, purpose of-----	192
renumbering of, for carrier's convenience-----	1
subprimary, permissible use of-----	3, 159, 182, 303, 309
suspense, permissible use of-----	49, 50, 307
temporary or experimental, for power costs-----	21
unrequired, book entry of, by carrier not necessary-----	27
Additions at free private park-----	26
to car reconstructed-----	296
to plant for light business-----	153, 190
to plant for power business-----	153
to property, bond issue for, expense incident to-----	9
to property, special fund for, bonds set aside in-----	298
<i>(See also Construction, Excess cost, Reconstruction.)</i>	
Adjustment of claims, pay and expenses of clerks engaged in-----	295
Advances to subsidiary for acquisition of real estate-----	340
Advertising in time-tables, receipts from-----	227
cards in cars, changing-----	358
cards in cars, revenue from-----	358
changes in services-----	427
Affiliated company, investment in advances to-----	340
Agents, car-service, salaries and expenses of-----	305
purchasing, salaries of, and of staffs-----	302
special, salary and expenses of-----	422
station, error by, refund of overcharge due to-----	323
station, telephone service for use of-----	149
station, wages of substation attendant acting as-----	108
station, wages of, when aiding train dispatching-----	187
Air-brake equipment and wiring, inclusion of, in car structure-----	5, 38
Air-compressor stations, conduits from, construction and maintenance of-----	96
machinery in, maintenance and operation of-----	96
Air-hose, replacing-----	429
Air-storage tanks, machinery appurtenant to, maintenance and operation of-----	96
maintenance and operation of, when in car houses-----	11
Alarm service by telegraph companies for fire protection-----	342
Alignment changes in track, street work incident to-----	261
Amortization of debt discount on bonds issued prior to 1909-----	322
of debt expense in connection with bonds-----	86
of discount on refunding bonds-----	356
Amusement park, accidents in-----	384
improvements at and maintenance of-----	26
Appeal bond in injuries case, premium on-----	280
Appliances, meaning of term, in connection with equipment-----	293
Appropriations to sinking funds, assets to cover-----	435
in lieu of dividends or interest-----	312
Arc lights, required by franchise, power for-----	418
Armatures, depreciation on-----	440
extra, kept on hand-----	440
Arresters, lightning, maintenance of-----	424

	Case.
Ashes, removal of, from car to dump.....	65
Asphalt. (<i>See Paving.</i>)	
Assessments for ditch construction.....	119
for dredging stream to create drainage channel.....	207
for grade crossing elimination.....	352
for paving work.....	2, 85, 99, 161, 388
for sewer construction.....	85, 161, 396
for street grade or improvements.....	85, 134, 376
of municipal levies on basis of gross earnings.....	87
of State taxes on basis of capital stock.....	87
payable in installments, interest on.....	267
(<i>See also Taxes.</i>)	
Assets, set aside for sinking fund purposes.....	435
Associations, relief, operation of, and contributions to.....	10
traffic, attendance expenses of general manager at.....	179
Attachments of wires to bridges, payments by carrier for privilege of.....	24, 163
to poles, expense for and revenue from.....	34
Attorneys' Fees. (<i>See Fees.</i>)	
Audit of company's books by audit company.....	77
Authorized but unissued stock excluded from general ledger.....	186
Auto truck for maintenance and revenue service, first cost and earnings of.....	317
Automobiles for chief engineer of allied companies, cost of.....	288
for officers and linemen, expenses and repairs of.....	151
Auxiliary operations, amusement parks, injuries in.....	384
operations, classification for, not prescribed.....	23
coal mine conducted as, car service rendered to.....	245
light business conducted as, accounting for.....	28, 188, 198, 300, 362
power business conducted as, accounting for.....	188, 362
(<i>See also Gas department, Light business, Power business.</i>)	
Axes, hand, purchased for construction work.....	76
Axles, trolley, repairs and first cost of.....	38

B.

Baggage service, revenue from transportation of dogs by.....	178
wages of general office janitor aiding in.....	109
Bags for filing canceled tickets.....	128
Balance-sheet printing for express and freight business.....	12
statement covering railway and other departments.....	23, 153
Ballast, base for, paving work necessitated by failure of.....	174
clearing account.....	381
excavation by steam shovel.....	417
labor removing.....	359
operation of gravel pit for.....	381
production cost of, apportionment of.....	98
production of, investment cost of machinery for.....	176
road filling between tracks chargeable as.....	100
track base of concrete chargeable as.....	221
track filling chargeable as.....	57
(<i>See also Track.</i>)	
Banks of roadway, protection of, against high tides.....	35
Barns. (<i>See Ourhouses.</i>)	
Basins, catch, cost of installing.....	350
Batteries for gasoline motor cars.....	182
for telephone operation.....	167
Bells and wiring, electric, inclusion of, in car structure.....	5, 88
Betterments at free private park.....	26
of car reconstructed.....	296
of property, bond issue for, expense incident to.....	9
of property, special fund for, bonds set aside in.....	298
of public bridge used by carrier.....	194
Blockades, time lost by, statistical treatment of.....	40
Blocks, filler, used at ordinary curves, investment in.....	223
Blue-print paper for engineering department.....	246
Boat, ferry, installation of overhead switches on.....	416
Boiler tubes and caps in power plants, apparatus for cleaning.....	122, 180

	Case.
Bond, premium on, required to transport bonded merchandise-----	372
Bonding of rails, maintenance of equipment for-----	157
drilling for, when merged in cost of rails-----	102
machine for, classification of-----	277
maintenance expense for-----	287
Bonds, appeal, in injuries cases, premiums on-----	280
as collateral-----	385
commissions for redeeming-----	360
construction, expense incident to issue and sale of-----	9
guaranty, for compliance with franchise, premiums on-----	53
interest payments on, expense incident to-----	77
proceeds of in a fund-----	355
reacquired, interest accrued and premium on-----	313
reserved, to meet property investment costs-----	298
validity of, examination into matters affecting-----	86
Books, general, information to be shown in-----	432
Booths, telephone, located along line for train dispatching-----	253
Brackets for trolley wire, investment in-----	46
scrap from renewals of-----	249
short wires appurtenant to-----	97
"Breaking in," wages of conductors and motormen-----	460
Bridge tenders, wages of, when on bridge used under franchise or lease-----	70
Bridges, catenary, for support of overhead line, investment in-----	46
construction of, in connection with undergrade crossings-----	202
construction of, rent and operation of equipment in-----	92
fire hose, cost and repairs-----	439
guard rails on, investment cost of-----	225
jointly used, maintenance and operation of-----	260
jointly used, public contributions toward, when used by public-----	260
labor removing foundations-----	359
leased, maintenance and operation of, by lessee-----	70
maintenance of, tool renewals and repairs for-----	51
paving located upon, maintenance of-----	70, 299
public, construction cost of, partly borne by carrier-----	217
public, betterment of, borne by carrier-----	194
public, maintenance and operation of, partly borne by carrier-----	70
public, maintenance of line property located upon-----	299
public, monetary payments for operation rights upon-----	24, 163, 299
structural parts peculiar to, classification of-----	115
(See also Viaduct.)	
Brushes for car motors-----	38
for workmen employed in maintenance-----	334
Building, for power plant, rent of-----	366
for station and general offices, expenses of-----	410
Buildings, appurtenant parts of, investment items classable as-----	126, 222, 325, 346
appurtenant parts of, maintenance expense for-----	69, 127, 195
betterment of, by partial reconstruction-----	234
construction of, salary and expenses of engineer for-----	16
destruction of, by fire, loss due to-----	240
general office, removing foundations-----	359
grounds of, investment items for-----	134
grounds of, maintenance items for-----	166, 212, 259
investment in, for use as both carhouse and general office-----	104
investment in, for use in light business-----	190, 198
land occupied by, rent payable for-----	241, 257
maintenance of, fire protection expense includible in-----	268, 269, 342
maintenance of, tool expense for-----	51, 334
maintenance of, when portions are rented to others-----	37
maintenance of, when used in storerooms-----	302
operation of, when portions are rented to others-----	37
rent receivable from rented parts of-----	37, 330
repairs of, when held by carrier under lease-----	43
repairs of, when owned by carrier-----	43
structures includible under term-----	74, 101, 105, 152
temporary, used in construction work-----	257

	Case.
Bureau, freight, salaries of weighmasters of.....	201
ticket, maintenance of.....	414
Burial expenses of trainman killed by ejected passenger.....	118
Bushings, trolley, repairs and first cost of.....	38
Business cars.....	421
Busses, motor, rent of.....	419

C.

Cables. (*See Wires.*)

Camp, grading, proceeds from sale of.....	258
Canals, roads for patrolling of, investment in.....	229
Canceled tickets, bags and envelopes for filing of.....	123
Cans, oil, for department use.....	209
Capital stock, authorized but unissued, excluded from general ledger.....	186
issued, conditions indicative of.....	186
taxes assessed on basis of.....	87
Caps for boiler tubes, machines for grinding and cleaning of.....	130

Car. (*See Cars.*)Car barns. (*See Carhouses.*)

Car hours, passenger, definition of.....	40
Car privileges, vending machine installed under.....	335
Car service, agent for, salary and expenses of, and of clerks.....	305
construction, expense for and revenue from, when furnished to contractor.....	59
construction, expense for, when performed with rented equipment.....	131
employees aiding in, miscellaneous, wages of.....	59, 70, 82, 248, 260
expenses of, miscellaneous, for appurtenances of cars.....	38, 54, 120, 125
expenses of, miscellaneous, for car operation.....	11, 95, 209, 305, 326
expenses of, miscellaneous, for cleaning cars.....	65, 287
expenses of, miscellaneous, for passenger conveniences.....	335
icing expense for.....	805
inspectors aiding in, wages of.....	304
maintenance, wages of trainmen engaged in.....	306, 344
passenger, division of through-car revenue from.....	45
passenger, statistics of.....	40
pilots engaged in, wages of.....	147, 148
sprinkler, expense for and revenue from.....	30
stationery used in.....	12, 56, 168
steam motor, expense for operation of.....	4
work, charges against auxiliary operations for.....	245
work, charges against carrier's own departments for.....	59
work, revenue from, when performed for another carrier.....	171
(<i>See also Operation.</i>)	

Car shops, repairs of heating system.....	405
Carbon brushes for car motors.....	38
rings for power plant turbines.....	237
Carbons for electric headlights.....	38, 120
Cards, advertising, in cars, cost of changing.....	358
advertising, in cars, revenue from.....	358
for officers and employees, printing of.....	255
Carhouses, coal deliveries at, labor for.....	180
construction of, salary of supervising engineer for.....	16
electric-light apparatus in, renewals of.....	216
employees at, wages of.....	65, 181, 304
equipment of, maintenance expenses for.....	11
fire protection for.....	268, 346
grounds of, maintenance items for.....	166, 212
investment in, when occupied partly by general office.....	104
labor removing foundations.....	359
land occupied by, rent payable for.....	8, 241
oil cans used at.....	209
power used at.....	7, 21, 165
track foundations at pit in.....	152
watchmen at, portable clocks for.....	206
(<i>See also Buildings.</i>)	

	Case.
Clerks assisting car-service agent, salaries and expenses of-----	305
compiling data for and reports to public bodies, salaries of-----	80
executive office, engaged in operation and construction, pay of-----	379
handling both railway and auxiliary operations matters, salaries of-----	28, 362
handling claims, salaries and expenses of-----	295
handling departmental accounts in general office, salaries of-----	66
Clock, electric, in dispatcher's office, service of-----	129
portable, for car-house watchman, maintenance expenses for-----	206
Clothing and apparel (not baggage) damaged-----	882
Club rooms, rent and operation of-----	239
Coal costs, inclusion of demurrage in-----	314
deliveries at carhouse, unloading of-----	180
deliveries at power plant, unloading of-----	181
mine, maintenance and operation of cars used for-----	245
pockets, investment in-----	105
pockets for power plant, rent payable for-----	208
supply, for power house not yet in operation-----	145
trestle for coal pocket, investment in-----	101
<i>(See also Fuel.)</i>	
Collateral, bonds used as-----	385
Collection of scrap material for shipment to purchaser-----	138
Collections by conductors. <i>(See Conductors.)</i>	
Combination cars. <i>(See Cars.)</i>	
Commission, utility, proportion of expenses of-----	438
Commissions for purchasing securities-----	433
for sale of tickets at stores along line-----	15
to trustees for paying out bond interest-----	77
to trustees for redeeming bonds-----	360
Commutation ticket books expiring monthly, revenue from sale of-----	278
Company fuel, ties and lumber for-----	397
material. <i>(See Material.)</i>	
Compensation under employers' liability act-----	413
Compressed-air conduits for conveying air to car line, construction and maintenance of -----	96
storage apparatus in car houses, maintenance and operation of-----	11, 95
Compressors, dynamotor, maintenance of-----	395
Concrete base for ballast, paving work necessitated by failure of-----	174
foundation for track at carhouse pit or yard pit-----	152
foundation for track ties and paving, investment in-----	221
mixer, maintenance of car and machinery of-----	14
Condensers at power stations, investment in water-supply system for-----	90, 325
Conductors' collections, loss of, by robbery or defalcation-----	231
orders, printing of-----	56
pay for time lost by injury in service-----	52, 110, 111
remittances, loss of, by theft-----	103
reports and shortage notices, printing of-----	12
shortages, relief granted for-----	160
strike, expense occasioned by-----	318
tickets collected, devices for sorting or filing-----	123, 168
wages while "breaking in"-----	400
wages while in nonrevenue service-----	306
wages while in revenue service under contractor-----	59
<i>(See also Trainmen.)</i>	
Conduits, construction and maintenance of, for compressed air-----	96
excavation for, investigation cost of-----	226
<i>(See also Pipe.)</i>	
Construction, bonds for, expense incident to issue of-----	9
building for temporary use during, installation and repairs of-----	257
car service for-----	59, 131
charges to for executive office clerks-----	379
contractors' profits-----	347
costs of, distribution of-----	218, 265
costs of, when property is on leased right of way-----	247
creosoting plant costs apportionable to-----	158
damages and costs payable for acts incident to-----	172

	Case.
Construction, donation made to induce.....	402
engineer for, salary and expenses of.....	16
equipment leased for use in, expense for.....	131
equipment owned for use in, cost charges and salvage credits for.....	137
grading camp for, proceeds from sale of.....	258
guaranty bonds in connection with, premiums on.....	53
hauling expense incident to.....	114, 193
hotel operation costs apportionable to.....	199
insurance incident to.....	136
interest assignable to.....	17, 306
land used during, rent payable for.....	257
operating expenses incurred during.....	144, 145
patterns used in.....	71
power used in, operating expense credits for.....	21
public grants received in aid of.....	91
purchasing department expense apportionable to.....	22
replacement of property removed during.....	112
shop expense apportionable to.....	19, 78
storage land rent apportionable to.....	36
store expenses apportionable to.....	6, 19
tools for use in, cost charges and salvage credits for.....	76, 137, 367
trainmen engaged in, wages of.....	306
uncompleted, accounting for, at close of report period.....	265
wagon expense apportionable to.....	18
(See also references to specific items of property.)	
Contacts, trolley, for operation of electric track switch, repairs of.....	32
Contract, cars not delivered according to.....	401
for branch line construction, distribution of costs accruing under.....	218
for express service, revenue received under.....	93
for joint construction and operation of bridge, accounting under.....	260
for mail service, expense for local mail transfer under.....	58
for sale of scrap material, expense under.....	138
for through service of another carrier's cars, payments under.....	45
requiring additions to sinking funds, appropriations to comply with.....	312
requiring construction of road crossing, payment for relief from.....	282
Contractors, charges against, for use of carrier's equipment.....	59
employees assigned to service under, wages of.....	59
payments to, for street improvement work.....	134
profits.....	347
receipts from, for use of dumping privileges.....	297
Contributions received as offset to operating deficit.....	91
received in aid of construction or acquisition.....	91
received in aid of maintenance of bridge.....	260
to employees while under disability. (See Disability.)	
to families of employees.....	10
to relief department or association.....	10
Conversion of cars, material used for.....	200
of cars, patent used at, royalty payable on.....	275
of equipment, depreciation charges incident to.....	296
Coordinate departments. (See Auxiliary operations.)	
Cord, lamp, in buildings, renewals of.....	216
Coroner's inquest, fees of witnesses and others at.....	164
Corpses, revenue from transportation of.....	170
"Cost of transporting," definition. (See account VII, "Transportation for investment—Cr.").....	378
Costs and judgment in hours-of-service suit.....	411
Counsel fees. (See Fees.)	
Couplers for motor cars, replacement of.....	189
Coupons, bond, payment to trustees for interest payment on.....	77
bond, unmatured at reacquirement by carrier.....	313
mileage book, unrepresented and expired.....	50
Cranes, track, power purchased partly for operation of.....	165
Creosoting plant, installation and maintenance of.....	158
Cross arms, creosoting plant expense partly apportionable to expense for.....	158
Crossties, exclusion of, from bridge and trestle costs.....	115

	Case.
Crossings, grade, cost of maintenance.....	368
railroad, guard rails used at.....	72
road, payment for relief from construction of.....	282
steam road, planks used in.....	62
steam road, wages of derailer levermen at.....	64
street and highway, crosswalks at, investment in.....	31
street, establishment of, when new streets are opened.....	85
undergrade, construction items assignable to.....	202
Crossovers, guard rails used with.....	72
relocation and maintenance of, at reconstruction work.....	224
Crosswalks, adjustment of, in widening street under franchise requirement.....	42
construction of, in connection with paving and crossings work.....	31
Crucibles used with welding machine.....	51
Crushed stone filling for tracks, maintenance expense for.....	57
Crushing apparatus. (<i>See Stone crusher.</i>)	
Culvert, iron-pipe, for drainage purposes, installation of.....	89
Culverts, labor removing foundations for.....	359
Cup vending machines, installation of and revenue from.....	335
Cups distributed by penny slot machines, expense for.....	335
worn in rails, labor and material used in filling.....	271
Curbs, adjustment of, in altering street grade apart from track.....	162
adjustment of, in connection with track alignment.....	261
installation of, in depots or depot grounds.....	134
installation of, under municipal requirement.....	134
installation of, when for separation of track space from highway.....	336
maintenance of, when for separation of track space from highway.....	336
relocation of, in widening street under franchise requirement.....	42, 84
Curves, filler blocks for.....	223
guard rails for.....	72, 223
Custom labor, receipts from.....	19, 25
Cutters, sleet, installation and maintenance of.....	169
Cutting scrap material for delivery to purchaser.....	138
trees and bushes standing near right of way.....	319
wires to permit moving of buildings through streets.....	73

D.

Dam for water supply of power station condensers, investment in.....	90
Damage, by electrolysis.....	363
claims for, salaries and expenses of clerks engaged on.....	295
loss due to, when suffered on property stolen and later recovered.....	203
reserve to meet deferred repairs of.....	139
reserve to meet shippers' claims of.....	79
to clothing and apparel, not baggage.....	382
Damages collected for failure to furnish power.....	412
payable for damage of another's property during construction.....	172
for ejectment of passenger.....	150
Deadheading cars, wages of trainmen for time engaged in.....	306
Defalcation by conductor, loss through.....	231
Deficit in operation, public contributions made to meet.....	91
in special train receipts, guaranty payments made to meet.....	263
Definition of "except final distribution" (see accounts Nos. 505, 506, 507, 508, and 509).....	377
Definition of "regular rail equipment".....	388
Delays of cars, statistical treatment of time lost by.....	40
Demurrage on cars billed on interline business.....	314
on cars containing coal for carrier's use.....	314
on cars switched for another carrier.....	254
Deposits, special, for investment purposes.....	298
trainmen's, unclaimed at leaving service.....	244
Depots. (<i>See Stations.</i>)	
Depreciation of equipment, adjustment for, when destroyed.....	183
of equipment for time prior to July, 1914.....	250, 311, 315
of equipment, repair charges for, at conversion.....	296
of equipment, requirements as to, by I. C. C.....	154

	Case.
Depreciation of extra armatures and pantographs.....	440
of furniture, subaccounts for.....	309
of leased equipment when handled in lessee's accounts.....	310
of miscellaneous equipment, subaccounts for.....	303, 309
of power property, carrier's option as to.....	154
of property other than equipment, for time prior to July, 1914.....	250, 311, 315
of shop equipment, subaccounts for.....	309
of station building, deduction for, when destroyed.....	240
of way and structures, carrier's option as to.....	154
Derailers at steam road crossings, wages of levermen at.....	64
Destroyed property, accounting for.....	183, 240, 252
Detail information required in general books.....	432
Device for dumping cars, royalty paid for.....	408
Dials, paper, for watchmen's portable clocks used at carhouses.....	206
Disability, payments to employees during time of.....	10, 52, 110, 111
Discount in connection with operations excluded from operating expense.....	17
on bills for material purchased, credits for.....	155
on bonds issued prior to 1909, amortization of.....	322
on funded debt, inclusion of debt expense items with.....	86
on refunding bonds.....	356
Dispatching, agents and substation men incidentally aiding, wages of.....	187
electric clock service for use in.....	129
telephone booths for use in, installation and maintenance of.....	253
Distribution system, investment in, for use in light business.....	198
lightning arresters of, maintenance expense for.....	329
maintenance of, tools used for.....	51
meters of, investment in.....	159, 243
rebonding rails in connection with, maintenance expense for.....	287
subprimary accounts for.....	3, 159
<i>(See also Electric line.)</i>	
Distribution, term "except final distribution" explained (see accounts 505, 506, 507, 508, and 509).....	377
Ditch construction, assessment for, when carrier is partly benefited.....	119
remonstrance against, expense incident to.....	128
Dividends payable to sinking funds, appropriations to comply with requirements as to.....	312
Dogs, transportation of, revenue from.....	178
Donation, by property owners towards cost of extension.....	369
to induce construction.....	402
Draftsmen, engineering, supplies for.....	246
maintenance, work by, for use in claims and suits.....	343
Drainage by stream, assessment to create.....	207
of roadbed, installation and maintenance of tiling for.....	291
of undergrade crossing, investment items for.....	202
<i>(See also Catch basins, Culvert, Ditch, Sewer, Water.)</i>	
Drawings by maintenance draftsmen for use in injuries claims and suits.....	343
Dredging stream for drainage purposes, assessment for.....	207
Drilling of rails for bonding when merged in cost of rails.....	102
Drills, fire, at buildings and on ferryboats, expense for.....	268
Drinking-cup vending machines, cups purchased for sale in.....	335
installation of and revenue from.....	335
Drips, for draining tracks, installation cost.....	361
track, labor renewing.....	361
track, labor repairing.....	361
Driveway for handling freight at station, repairs of.....	259
Drugs and medical supplies.....	390
Dump, removal of car ashes to, from cars.....	65
Dumping device, royalty paid for.....	408
privileges, receipts from contractors for.....	297
Dynamotor compressors, maintenance of.....	395

E.

Ejectment of passenger, burial of trainman resulting from.....	118
criminal prosecution resulting from.....	118
damages payable by carrier for.....	150
disability due to, payment to conductor for.....	52

	Case.
Electric alarm service for fire protection, expense for-----	842
clock service for dispatching office, expense for-----	129
current. (<i>See Power.</i>)	
Electric devices forming parts of car proper-----	5, 38, 48
Electric equipment of cars, definition of, as distinguished from car proper-----	5, 38, 157
investment items assignable to-----	38, 48, 169, 233
maintenance expense for-----	13, 14, 38, 157, 169, 233, 329
Electric equipment of locomotives, trolley parts includable in-----	38
Electric-light department of carrier. (<i>See Light business.</i>)	
Electric lights along track, repairs and renewals of-----	69
at stations, repairs and renewals of-----	69, 216
at stations, repairs of transformer for-----	242
at stopping points along line, power used for-----	140
for siding switch lights, wire installation for-----	94
in buildings, renewals of apparatus for-----	216
on cars, inclusion of fittings for, in car proper-----	5, 38
Electric line, contacts in, for operation of electric track switch-----	32
cutting of, to permit moving of buildings in streets-----	78
fire-fighting for protection of-----	269
investment in, when for power and light business-----	153, 204
maintenance of, when located on public bridge-----	299
maintenance of, when used partly for light business-----	316
pit for change from underground to overhead-----	152
terminal houses for change from overhead to underground-----	107
tools for use on, renewals and repairs of-----	51, 209
wire attachments for, on poles of others-----	34
(<i>See also Distribution system, Transmission system.</i>)	
Electric locomotive, definition of, as distinguished from car-----	47
Electrolysis, mitigation expenses-----	398
payments for alleged damage by-----	363
Electrolyte for batteries of gasoline motor cars-----	182
Elevated railway, lighting system maintenance for, segregation of-----	116
railway, rails and ties used upon-----	115
railway, structural parts peculiar to-----	115
structures, removing foundations-----	359
Elevator, passenger, in power plant, investment in-----	222
Emergency equipment for power plant, rent payable for-----	283
Employees, contributions to families of-----	10
deposits by, unclaimed on leaving carrier's service-----	244
excavating and transporting gravel, pay of-----	881
fire drills by, expense incident to-----	268
hotel for, operating loss on-----	199
passes and cards for, printing of-----	255
pay of. (<i>See Labor, Salaries, Wages.</i>)	
payments to, while disabled by injury in service-----	10, 52, 110, 111
strike by, expense incident to-----	318
transportation of, disallowance of charges for-----	232
uniforms furnished to-----	345
Employers' liability insurance, premiums on-----	393
Engine parts of gasoline motor cars, repairs of-----	182
Engineering department, draftsmen's supplies for-----	246
Engineers engaged in compiling data on way and structures, salaries of-----	80
for supervision of construction, salaries and expenses of-----	16
of power stations, wages of, for time engaged in repair work-----	55
of power system of allied companies, automobile for-----	288
Envelopes for filing canceled tickets-----	123
Equalization of general account totals for maintenance-----	192
of primary account totals for operating expenses-----	307
Equalizing cost of repairs-----	406
Equipment, conversion of, depreciation charges incident to-----	296
depreciation of-----	154, 250, 310, 311, 315
destruction of, loss by and salvage from-----	183
disposal of, when on hand at close of construction-----	137
inspectors of, salaries and expenses of-----	304
insurance on, while under construction-----	136
maintenance of, when leased for carrier's construction work-----	131

	Case.
Equipment, operation of, when leased for carrier's construction work.....	92, 131
rent for, includible in account 116.....	428
rent for, when used in construction.....	92, 131
rent for, when used in maintenance or transportation.....	274
rent from, when furnished to contractor.....	59
rent from, when leased with road.....	142
<i>(See also Cars, Floating equipment, Locomotives, Miscellaneous equip-</i>	
<i>ment.)</i>	
Excavation for conduits of electric line.....	226
for roadway of undergrade crossings.....	202
for street work under franchise requirement.....	42
for underground construction.....	226
of ballast by steam shovel.....	417
"Except final distribution," term defined (<i>see accounts Nos. 505, 506, 507, 508, and</i>	
<i>509</i>)	377
Excess cost of car couplers of heavier or improved type.....	189
of rail joints of improved character.....	238
of repaving with improved material.....	184, 251
of trestle replacing one destroyed by fire.....	252
Excess value of car improved by conversion of type.....	200
Expense bills for express and freight business, printing of.....	12
of leasing power station.....	426
Expenses of a special agent.....	422
of jointly used stations.....	403
of officers and employees. (<i>See Personal expenses.</i>)	
of steam shovel excavating ballast.....	417
Express cars. (<i>See Cars.</i>)	
Express revenue from service under agreement with express company.....	93, 328
from transportation of dogs.....	178
from transportation of newspapers.....	156
Express service, compensation from express companies for trainmen's assistance in..	331
stationery used in, printing of.....	12
wages of general office janitor aiding in.....	109
wages of pilots on cars in.....	147
wages of substation attendant aiding in.....	108
Extensions, bonds set aside in special fund for.....	296
Extinguishers, fire, installation of.....	124
refilling and replacement of.....	125

F.

Fares. (<i>See Passenger revenue.</i>)	
Fastenings of rails. (<i>See Track.</i>)	
Feeders, conduits for, excavation costs for.....	226
investment in, for use in power and light business.....	153
(<i>See Electric line.</i>)	
Fees for license under State inspection law.....	213
to attorney for services rendered to former management.....	324
to attorney, in suit to annul electric light franchise.....	348
to counsel in connection with railway merger.....	220
to registrars in connection with interest disbursement.....	77
to trustees for disbursement of bond interest.....	77
to witnesses and others at coroner's inquest.....	164
Fences. (<i>See Snow fences.</i>)	
Ferry expenses for general and miscellaneous items, segregation of.....	75
slips and fuel-oil tanks, maintenance of.....	74
Ferryboats, fire drills on, expense incident to.....	268
installation of overhead switches on.....	416
Filling of canceled tickets, bags and envelopes for.....	123
Filler blocks used with ordinary curves, investment in.....	223
Filling of dirt road to head of rail, investment cost of.....	100
of fire extinguishers in cars and power plants.....	125
of grounds of buildings, loading and unloading cinders for.....	166
of holes in ties, plugs for.....	63
of land, investment cost of.....	83
of land, receipts from, when done as privilege.....	297
of track with crushed stone, maintenance expense for.....	57

	Case.
Fire alarm service furnished by telegraph company.....	342
drills at buildings and on ferryboats, expense incident to.....	268
extinguishers, installation of.....	124
extinguishers, refilling and replacement of.....	125
fighting to protect company property, expense for.....	269
hose bridges, cost and maintenance.....	439
hose in buildings, installation of.....	126
hose in buildings, renewals and replacements of.....	127
loss on station not covered by insurance.....	240
plugs, rent of.....	423
protection system in car barns, water-supply connection for.....	346
First-aid equipment, installation and renewal.....	390
Flagmen aiding car service during track renewals, wages of.....	248
wages of, during track reconstruction.....	370
Flags, repairing.....	415
Flagstones, relocation of, in widening street under franchise requirement.....	84
(See also Sidewalks.)	
Floating equipment, fire drills on, expense incident to.....	268
maintenance superintendence of.....	290
Flood damage, reserve fund to cover deferred repairs of.....	189
Flowers about buildings, expense for.....	212
Footwalks along tracks of elevated railways, investment in.....	115
Foreman on sick leave, wages of.....	425
Foremen, track or section, wages of, in maintenance work.....	292
Foundation for ballast, paving work necessitated by failure of.....	174
for bridge over undergrade crossing, investment in.....	202
for ties and paving, investment in, when of concrete.....	221
for track at pit in carhouse or yard, investment in.....	152
Foundations, labor removing.....	359
Franchise, electric light, attorney's fee in annulment suit.....	348
requirement, bridge betterment under.....	194
bridge maintenance and operation under.....	70
case payment in lieu of hauling material.....	409
electric light repairs and renewals under.....	69
guaranty bond for compliance with, premiums on.....	53
paving work done under.....	42, 184
percentages of earnings payable under.....	67, 87
power for arc lights under.....	418
street alterations under, to change highway grade.....	162, 349
street alterations under, to widen highway.....	42, 84
(See also Operation rights.)	
Freight bureau, salaries of weighmasters of.....	201
Freight cars. (See Cars.)	
Freight charges on company material improper when for carriage on company lines.....	143
on scrap material shipped to purchaser.....	138
Freight revenue, at flat rate per car.....	392
cartage receipts and expenses assignable to.....	132
overcharge debits to, when due to misrouting.....	323
rent debits to, improper when for use of equipment.....	133
transportation credits to, improper when for moving company material.....	143
Freight service, employees in, wages of, when engaged in switching.....	215
milk transported by, revenue from.....	285
pilots on cars in, wages of.....	147
stationery used in, printing of.....	12
(See also Car service.)	
Frogs, guard rails used with, investment in.....	72
Fuel account, use of, for coal purchased in advance of operation.....	145
costs, unloading expenses includible in.....	180, 181
expense for steam motor and gasoline motor equipment.....	4
for stoves in cars.....	365
Fuel-oil tanks on ferry wharf, maintenance of.....	74
Fund, under terms of a mortgage.....	355
Funded debt, when notes are.....	437
Furniture, depreciation of, subaccounts for.....	309
investment items of.....	335, 337
maintenance of, for club room.....	239

G.

	Case
Gage glasses and glass preservers, power plant expense for.....	177
Garage expenses for official and service automobiles.....	151
Gas department, income and operating expense accounting of.....	28
Gasoline motor cars, repairs and operation of.....	4
repairs to motor features of.....	182
Gasoline supply for automobiles.....	151
General books, detail information required in.....	432
General expenses, apportionment of, to coordinate departments.....	28
apportionment of, to ferry operations.....	75
auditing expense includible in.....	77
debts for, when carried in light department accounts.....	28
✓ donations includible in.....	345
fees incurred under inspection law and includible in.....	213
guaranty bond premiums includible in.....	53
losses by theft includible in.....	103
strike expenses includible in.....	318
telephone expense includible in.....	68, 149, 167, 235, 337
General office clerks compiling reports for public bodies, salaries of.....	80
clerks handling departmental accounts, salaries of.....	66
clerks handling freight claims, salaries and expenses of.....	295
clerks on staff of purchasing agent, salaries of.....	302
interior telephone system, rent for.....	337
janitor aiding in line operations, wages of.....	109
space in carhouse buildings, investment charges for.....	104
space occupied by claims department, rent for.....	235
General officers, attendance expenses of, at traffic associations.....	179
automobiles for, expenses and repairs of.....	151
salaries and expenses of, items includible in.....	219, 302
General offices and station in same building, expenses of.....	410
Glasses for car headlights.....	120
for power plant gauges.....	177
Globes for headlights.....	120
Governments, property of, payments for operation rights on.....	24, 81
reports to, salaries of clerks and engineers engaged on.....	80
<i>(See also Municipalities, State.)</i>	
Grade crossing, assessment for elimination.....	352
Grade of street, change of, when apart from right of way.....	162
city assessment for.....	85
lowering of track for conformity with.....	320
Grading, assessment for regrading.....	376
camp for employees in, proceeds from sale of.....	258
cinders used for, hauling and unloading of.....	289
clearing right of way in connection with.....	191
ditching work incident to.....	119
drainage tiling installation incident to.....	291
filling of land incident to.....	83
judgment for, accounting for.....	430
lowering of track by, for conformity with street grade.....	320
parkways between tracks established by.....	266
required by terms of franchise.....	349
retaining-wall construction incident to.....	35
steam shovel used for, during construction period.....	137
Grants in aid of construction or acquisition of property.....	91
Gratuities. <i>(See Contributions.)</i>	
Gravel, land purchased for.....	381
sales of.....	381
pit operation, accounting for.....	381
Grenades, fire, replacement of.....	125
Grinding apparatus for cleaning boiler-tube caps at power plants.....	130
for work on rails, classification of, as tools or equipment.....	277
Gross earnings, percentages of, payable under franchise requirement.....	67, 87
Grounds of buildings, filling of, loading and unloading cinders for.....	103
plank driveway in, repairs of.....	259
plants and lawns for, expense for.....	212
street improvements within limits of.....	134
<i>(See also Land.)</i>	

	Case.
Grubbing tools for removal of weeds from track and roadway.....	61
Guaranty of compliance with franchise, premium on bond for.....	53
of special train revenue, deficiency received under.....	263
Guard rails at ordinary curves, investment in.....	72, 223
at special work, investment in.....	72
on bridges, investment in.....	225
on cars, investment in.....	287
on elevated railways, investment in.....	115
Gutters, installation of, in depots or in depot grounds.....	134
installation of, under municipal requirement.....	134

H.

Hammers, paving, purchased for construction work.....	76
Hand cars, investment in and maintenance of.....	173
grenades, replacement of.....	125
tools for use in construction.....	76
tools for use in power plants.....	237
Handling material sold, percentage added for.....	354
ties in stock, cost of.....	397
Harps, trolley, repairs and first cost of.....	38
Hauling cinders from power plant for use in maintenance.....	289
construction material from storeroom to point of use.....	114
materials for construction.....	367
<i>(See also Cartage.)</i>	
Headlights, carbons for.....	38, 120
construction and repair parts for.....	38
glass fronts for.....	120
globes for.....	120
handling of, wages of general office janitor engaged in.....	109
investment in.....	48
Heaters and wiring, electric, inclusion of, in car structure.....	5, 38
Heating, mains and pipes conveying steam for.....	420
power used for.....	7
system, repairs of.....	405
Highway, ditch for, assessment for construction of.....	119
operation rights on, payments for.....	20, 81
sprinkling of, expense for and revenue from.....	30
<i>(See also Crossings, Roads, Streets.)</i>	
Hose for construction work.....	76
for fire protection.....	126, 127
Hotel for employees, loss on operation of.....	199
Houses, terminal, for change from overhead to underground line.....	107
Hydrant wrenches and reducers purchased for construction uses.....	76
Hydrants, adjustment of, in widening street under franchise requirement.....	42

I.

Icing cars, car-service expense for.....	305
Idle time of equipment rented for use in construction, rent for.....	131
of equipment engaged in car service, statistics for.....	40
Ignition parts of motive equipment of gasoline motor cars, repair of.....	182
Improvements. <i>(See Betterments, Excess cost.)</i>	
Information to be shown in general books.....	432
Injuries, case concerning, premium on appeal bond in.....	280
claims for, in amusement park.....	384
claims for, maintenance employees' work in connection with.....	343
compensation under employers' liability act.....	413
disability due to, payments to employees during.....	10, 52, 110, 111
Inquest by coroner, fees of witnesses and others at.....	164
Insignificant items, optional accounting for.....	94, 124, 126, 239
Inspection law, license fee payable under.....	213
Inspectors of car equipment, wages of.....	304, 386
of car movement, wages of.....	304
Installation costs. <i>(See Construction.)</i>	
Instruction rooms, rent payable for.....	239

	Case.
Insurance, employers' liability, premiums for.....	393
on park structures.....	384
premiums incident to construction.....	136
Interest in connection with construction.....	17, 308
in connection with operations.....	17
on bonds, expense for disbursement of.....	77
on bonds of lessor when payable by lessee under rental agreement.....	333
on carrier's bonds, accrued up to time of reacquirement.....	313
on carriers' securities owned, sinking fund credits to represent.....	312
on notes paid in advance.....	357
on unpaid assessments for paving.....	267
Interline business, demurrage incident to.....	314
service, payments based on passenger revenue incident to.....	45
settlements, adjustment of joint station expense by.....	332
settlements, redemption of transfers in.....	205
Interlockers, maintenance of, tools used in.....	51
Interlocking apparatus, at grade crossing, maintenance of.....	368
Interurban union station, expense of operation.....	389
Investigation of claims, pay and expenses of clerks engaged in.....	295
Investments in affiliated companies in form of advances.....	340
Issue of bonds, expense incident to.....	9
of stock, conditions indicative of.....	186

J.

Janitor at general office aiding in line operations, wages of.....	109
Joint facilities. (<i>See Bridges, Stations.</i>)	
Joints of rails, paving work necessitated by maintenance of.....	146, 279
welding of, first cost of.....	238, 270
Judgment and costs, violation of hours of service law.....	411
for grading, accounting for.....	430
Judgments. (<i>See Damages.</i>)	

K.

Keys for switch locks, car-service expense for.....	326
---	-----

L.

Labor for bonding rails by welding process.....	270
for constructing crosswalks.....	31
for constructing retaining wall to protect roadway banks.....	35
for constructing roadway of undergrade crossings.....	202
for filling dirt road between tracks.....	100
for handling material at point of delivery to carrier.....	60, 180, 181
for handling ties in stock.....	397
for hauling material from storeroom to point of use.....	114
for installing concrete foundation for track and paving.....	221
for installing underground construction.....	113
for installing wiring of electric switch lights.....	94
for laying tiling to drain roadbed.....	291
for macadamizing road.....	160
for maintenance work by filling track.....	57
for operation of creosoting plant.....	158
for planting flowers and shrubs about buildings.....	212
for removal of car ashes from cars to dump.....	65
for removal of weeds from track and roadway.....	61
for removing ballast, ties, rails, rail fastenings and joints, and special work in renewals.....	359
for removing foundations in renewals.....	360
for repairing and renewing electric lights along tracks and at stations.....	69
for repairing contacts and wiring for electric track switch.....	32
for repairing track prior to installation of paving.....	251
for repairing track rails and special work by welding.....	271, 272
for sprinkling street in front of stations.....	121
for trimming trees and bushes standing close to right of way.....	314
for unloading maintenance material at point of use.....	60
for work performed for outside parties.....	25

Lamps. (<i>See Electric lights, Lighting.</i>)	Case.
Land, filling of, investment costs for -----	83
filling of, maintenance expense in connection with-----	166
filling of, under dumping privileges, receipts from-----	297
for gravel purposes, cost of-----	381
investment in, when acquired for buildings and grounds-----	135, 262
investment in, when acquired for reservoirs and pipe lines-----	228
investment in, when acquired with, but not for, right of way-----	262, 301
rent for, when for location of Y or switch-----	33
rent for, when for occupancy by buildings used in operation-----	8, 241
rent for, when for storage of material-----	3
rent for, when for temporary structures used during construction-----	257
titles of, examination of, in connection with bond validity-----	86
Lanterns, for construction work -----	394
Law expense for examination of matters affecting bond validity -----	86
for prosecution of person killing trainman-----	118
for services in connection with railway merger-----	220
for services rendered to receivers-----	219, 324
in connection with remonstrance against ditch construction-----	128
Lawns at buildings, expense for moving of -----	212
Laying construction material. (<i>See Paving, Tiling, Track.</i>)	
Lease of power station, expense of -----	426
Leased property, depreciation on, when accounted for by lessee -----	310
electric lights and fixtures for-----	69
investment cost of vending machines held as-----	335
investment in railway line constructed on-----	247
maintenance and operation of, by lessee of bridge-----	70
repairs to, by lessee of buildings or rooms-----	43, 44
(<i>See also Operation rights, Rents.</i>)	
Level boards purchased for construction work -----	76
Levermen on derailleurs at steam road crossings, wages of -----	64
License fee under state inspection law -----	213
tax for privilege of operation-----	67, 87
Light and power accounts, expense in connection with -----	362
Light business, auxiliary operation accounts for -----	28, 188, 198, 300, 362
balance-sheet for, to be merged with railway balance sheet-----	23, 153
electric line investment for use in-----	153, 198, 204
electric meters for use in, investment in-----	159, 243
expense for, when carried wholly in railway accounts-----	198, 362
general expense apportionable to-----	28
investment for, to be merged with railway investment in reports--	300
maintenance expense apportionable to-----	316
pole and fixture investment for use in-----	300
power costs apportionable to-----	7, 23, 29, 300
power station investment for use in-----	153, 190, 198
reading of meters for, by railway employee-----	243
store and stable expense apportionable to-----	41
taxes assignable to-----	28
Lighting, fittings for, inclusion of, in car structure -----	5, 38
fittings for, when located along tracks, repairs and renewals of-----	69
fittings for, when located in buildings, maintenance of-----	69, 216, 242
power purchased for-----	7, 21, 140, 165
system for, clearing account for maintenance of-----	116
wiring for, inclusion of, in car structure-----	5, 38
wiring for, at siding switch lights, installation of-----	94
wiring for, at stations, repairs and renewals of-----	69
Lightning arresters, installation of -----	329
maintenance of-----	424
Linemen, automobiles for, expenses and repairs of -----	151
Loading cinders for filling grounds of buildings -----	166
for removal from power plants-----	289
Locks for switches, keys for -----	326
Locomotive features of equipment. (<i>See Electric equipment, Motive equipment.</i>)	
Locomotives, appurtenant parts of -----	5, 106, 120, 124, 210, 281
electric, definition of, as distinguished from car-----	47
motive equipment of-----	38, 329
steam, rent payable for, when used in construction-----	131

	Case.
Locomotives, steam, repairs and operation of.....	4, 131
wages of crews of, when engaged in switching service.....	215
Loss and damage claims, clerks engaged on, pay and expenses of.....	296
claims, reserve for, creation and adjustment of.....	79
to clothing and apparel not baggage.....	382
Loss through damage to material stolen and later recovered.....	203
through defalcation of conductors.....	231
through destruction of car by wreck.....	183
through destruction of uninsured building by fire.....	240
through operation of hotel for employees.....	199
through robbery of conductor.....	231
through theft of conductors' remittances.....	108
Lubricants for automobiles.....	151
for steam motor and gasoline motor equipment.....	4
Lumber and ties, for company fuel.....	397

M.

Macadamizing of road, investment costs for.....	100
Machine, bonding, classification of, as tool or equipment.....	277
reseating, for cleaning boiler-tube caps at power plants.....	130
track riveting, investment in.....	233
vending, for sale of sanitary drinking cups, investment in and revenue from.....	335
Machine tools for power plants, repairs of.....	237
Machinery for concrete mixer, maintenance of.....	14
for pile driver, maintenance of.....	14
for steam shovel.....	14, 137
for stone crusher.....	14, 176
in air-compressor stations, maintenance and operation of.....	95
in power plant, investment in, when for light business.....	190, 198
in power plant, salary and expenses of supervising engineer for.....	16
mounted on cars.....	14, 137, 233
Mail cars. (See Cars.)	
transfers from cars to post office.....	58
Mains and pipes for conveying steam.....	420
Maintenance, accounting for, salary of general office clerks engaged in.....	66
apportionment of, between operating carrier and others.....	260
apportionment of, between railway and light departments.....	316
assessments payable for, under public requirements.....	2
clearing account for segregation of, for lighting system.....	116
creosoting plant costs apportionable to.....	158
employees in, charges disallowed for free transportation of.....	232
employees in, tools and brushes for.....	334
employees in, work performed by, for use in injuries cases.....	343
equipment for, charges improper for departmental use of.....	59
equipment for, rent payable for.....	274
foremen engaged in, wages of.....	292
guaranty bond premiums in connection with.....	53
of dynamotor compressors.....	395
of lightning arresters.....	424
power costs assignable to.....	344
superintendence of, for floating equipment.....	290
tools for use in, repairs and renewals of.....	51
trainmen engaged in, wages of.....	306, 344
wagon expense apportionable to.....	18
(See also Renewals, Repairs, and references to specific items of property.)	
Manager, general. (See General officers.)	
Maps made by maintenance employees for use in injuries cases.....	343
Markers, general office janitor engaged partly in care of, wages of.....	100
Material, accounting for, when purchased in advance of use.....	145, 192
creosoting of, expense of plant for.....	158
discount credits on bills for.....	155
extra wheels on hand.....	399
for construction, teaming.....	367
for maintenance and operation, transportation of.....	371

	Case.
Material, freight charges on, improper when carried on company's line.....	148
handling of, at point of delivery to carrier.....	60, 871
hauling of, from storeroom to point of use.....	114, 871
insurance on, when for construction purposes.....	188
loss debits on, when stolen and damaged before recovery.....	208
sales of, receipts from.....	25, 249
salvage credits for, when from car destroyed in wreck.....	183
salvage credits for, when from trolley bracket renewals.....	249
sold, percentage added.....	354
storage of, rent of land for.....	86
store expenses on, apportionment of.....	6, 354
unloading of, at point of use.....	60
(See also reference to specific items of property.)	
Materials and supplies, accounting for.....	434
Mattocks for use in construction.....	76
Mechanical department accounts handled in general office, salaries of clerks engaged on.....	66
Men and material, transportation of.....	871
Merger of railways, counsel fees in connection with.....	220
Meters for power sold, investment in.....	159, 243
reading of.....	243, 862
Mileage books, receipts from sales of.....	50
unpresented coupons of.....	50
Milk transportation, revenue from, when carried in express service.....	328
when carried in freight service.....	285
Mine operations, maintenance and operation of railway cars used in.....	245
Miscellaneous equipment, subaccounts for depreciation of.....	303, 309
Miscellaneous physical property, investment and expense for orchard held as.....	301
taxes on gas property held as.....	28
Misrouting of shipment, overcharges refunded because of.....	823
Motive equipment of electric cars. (See Electric equipment of cars.)	
of electric locomotives, trolley parts includible in.....	38
of motor cars, repairs of.....	4, 182
Motor busses, rent of.....	419
Motor cars, repairs of.....	4, 182
revenue from, when used in work for others.....	171
Motormen, orders for, printing of.....	56
strike by, expense due to.....	318
wages of, when in nonrevenue service.....	306
wages of, when in service of contractor.....	59
wages of, while "breaking in".....	400
(See also Trainmen.)	
Motors at shops, power used for.....	21
for air governors and air pumps on cars, repairs to.....	5
of cars, carbon brushes for.....	38
Moving of property. (See Relocation.)	
Mowing lawns at buildings, expense for.....	212
Municipalities, assessments by, for street or sewer work.....	85, 99, 134, 161
construction expense of, assumed by carrier.....	162, 194, 217
contribution by, toward cost of bridge used partly by public.....	260
franchise taxes imposed by.....	67, 87
grade reduction required by.....	320
guaranty bonds furnished to, premiums on.....	53
interest payable to, on unpaid assessments.....	267
license taxes imposed by.....	67, 87
payments to, for operation rights.....	20, 67, 87, 163, 299, 409
payments to, for permit to open pavement for repairs.....	146
percentages of earnings payable to, under franchise.....	67
sprinkler car service furnished to, revenue from.....	30
street work required by.....	42, 84, 99, 134, 162, 184, 185
wire cutting required by, when buildings are moved.....	78

N.

Newspaper transportation, revenue from.....	156, 317
Nonrevenue service, repairs and operation of equipment in.....	4
wages of trainmen assigned to.....	306
Nose plows attached to cars. (See Snow plows.)	

	Case.
Notes, bonds as collateral for.....	385
when funded debt.....	437
Numbering of accounts for convenience of carrier.....	1

O.

Office employees. (*See Clerks, Janitor.*)

Officers, attendance expenses of, at traffic association.....	179
automobiles for	151, 288
business cars for	421
cards and passes for, printing of.....	255
telephone service for.....	149, 167

Officers and clerks, pay of, engaged in operation and construction..... 379

Offices, buildings used partly for, investment in..... 104

electric clock service for..... 129

interior telephones for..... 337

supplies for, apportionment of costs of..... 28

telephone service for..... 149, 235

temporary, for use by construction timekeepers..... 257

(*See also General office.*)

Oil cans for use in operating departments..... 209

for automobiles 151 |

for construction work..... 394

for power station transformers..... 211

tanks for ferry operation, maintenance of..... 74

(*See also Lubricants.*)

Operation of air-storage apparatus..... 11, 95

of bridge jointly used by carriers and public..... 260

of cars of another company on carrier's line..... 45, 147, 148

of creosoting plant for treatment of company material..... 158

of equipment rented from others for construction uses..... 92, 131

of ferry, apportionment of general expenses for..... 75

of hotel for construction and operating employees..... 199

of light plant..... 28, 188, 198, 300

of motor cars 4 |

of orchard acquired with right of way..... 301

of power plant, expenses incident to..... 55, 289

of public bridge when expense is partly borne by carrier..... 70

of recreation room for employees..... 239

of service cars used in switching service..... 339

of sprinkler car for revenue purposes..... 30

of steam locomotives..... 4, 131, 215

of telephone lines, expense incident to..... 68, 149, 167

of track crane, power partly for..... 165

of wagons for both maintenance and construction work..... 18

of work cars used for construction purposes..... 59

of work trains in maintenance service..... 344

Operation rights in city, license tax payable for..... 67, 87

in street subways, public expense borne by carrier in return for... 162

on county bridge, expenses partly borne in return for..... 70

on Government bridge, payments for..... 24

on Government reservation, payments for..... 81

on private property, power furnished in return for..... 338

on private property, rent payable for..... 20

on public bridge, payments for..... 163, 299

on public streets and highways, payments for..... 20

on viaduct of another company, payments for..... 327

(*See also Franchise requirement.*)

Options to purchase, sell, or lease, payments or receipts for..... 436

Orchard, investment in and operation of, when acquired with right of way..... 301

Orders for trainmen, printing of..... 56

Ordinances, requirement under. (*See Municipalities.*)

Other operations, general expenses apportionable to..... 28, 188

maintenance expenses apportionable to..... 188, 245, 316

omission of accounts for, when not needed..... 27

	Case.
Other operations, power costs apportionable to.....	7, 23, 29, 188, 198, 300
store and stable expense apportionable to.....	41
wages apportionable to.....	245
Outside operations. (<i>See Auxiliary operations.</i>)	
Overcharges, claims for salaries and expenses of clerks engaged on.....	295
refunds of, when due to misrouting of shipment by error.....	323
Overhead expense, credits for, when charged as construction cost or to outside parties.....	19
Overhead lines, contacts in, for track switch connection, repairs of.....	32
cutting of, to permit use of streets by others.....	73
pit for change from, classification of.....	152
supporting fixtures for, classification of.....	46
terminal house for change from, installation and repairs of.....	107
(<i>See also Electric line.</i>)	
Overtime of employees taking place of strikers, pay for.....	318

P.

Packing expense for shipment of scrap material to purchaser.....	138
material for power plants.....	237
Painters, tools and brushes for, when in maintenance work.....	334
Painting of cars.....	287
of switch targets.....	341
Pantographs, depreciation on.....	440
extra, kept on hand.....	440
Paper, blue-print, for engineering department.....	246
waste, sale of.....	431
Park, free private, improvements and maintenance of.....	26
structures, insurance on.....	384
Parkways, grading of, between tracks and street.....	256
Passenger car hours, definition of.....	40
Passenger cars. (<i>See Cars.</i>)	
Passenger revenue debits for relief of conductors' shortages.....	160
debits for transfers presented by other companies.....	205
from mileage book sales.....	50
from mileage coupons unrepresented.....	50
from service involving use of others' property, rents based upon.....	45, 327
from tickets expiring at close of month.....	278
from tickets sold and unredeemed.....	286, 321
from transfers redeemed by other companies.....	205
from transportation of corpses.....	170
Passenger service, newspapers transported by, revenue from.....	156
pilots in cars in, wages of.....	147
Passes for officers and employees, printing of.....	255
Passimeter turnstiles, maintenance of.....	391
Patents used in conversion of cars, royalties paid on.....	275
Patrol roads of water-supply system, investment in.....	229
Patterns, cost of handling.....	364
for casting of car parts used in construction and repairs.....	71
Paving, adjacent to unimproved property.....	383
assessments payable to municipality.....	2, 85, 99, 134, 161, 267
installation in depots and depot grounds.....	134
installation of railway's share on streets not previously paved.....	85,
99, 134, 185, 261, 264	
installation on street intersections of rights of way.....	236
installation on streets widened under franchise requirement.....	42, 84
investment for crosswalks installed with paving.....	31
investment for macadamizing of road.....	100
maintenance on bridge used under long-term lease or franchise.....	70, 299
permit coating amount to cover city's replacement expense.....	146
removal preceding track-maintenance work.....	174, 279
replacement incident to construction work.....	112
replacement incident to track maintenance.....	174, 279
replacement incident to track relocation.....	264
replacement with improved material.....	184, 251
when not on right of way.....	383
Paving hammers purchased for construction work.....	76

	Case.
Pay of employees. (<i>See Commissions, Labor, Salaries, Wages.</i>)	
Penalty, for failure to deliver cars on time.....	401
Per diem payable on foreign cars.....	18
Percentage added to construction cost.....	347
added to material sold from store.....	354
Percentages of earnings, guaranty bonds for payment of, premiums on.....	53
payments of, to municipality.....	67, 87
Permit from city to open pavement for track repairs.....	146
Perpetual lease, construction and maintenance on right of way held under.....	247
installation of and revenue from vending machines held under....	325
Personal expenses of car-service agent and his clerks.....	305
of clerks engaged on claims.....	295
of general manager attending traffic associations.....	179
of inspectors of equipment.....	304
of purchasing agent and his assistants.....	22
of receivers.....	219
of supervising engineer for construction.....	16
Pile driver, maintenance of car and machinery of.....	14
operation of, when rented for construction use.....	92
rent payable for, when rented for construction use.....	92
rent payable for, when rented for maintenance use.....	274
Pile drivers, when "regular rail equipment".....	388
Pilots directing operation of cars, wages of.....	147, 148
Pipe conduits for water supply of power station condensers.....	90
conduits from air-compressor stations. (<i>See Conduits.</i>)	
culverts for drainage purposes.....	89
lines of water-supply systems, water rights and land for.....	228
supports for stop signs.....	276
Pipes and mains, for conveying steam.....	420
Pit at point of change from overhead to underground line, classification of.....	152
in carhouse, concrete track foundations at.....	152
in yard for examination and repair of equipment.....	152
Plain back filled track, maintenance material and labor on.....	57
Planking at steam road crossings, maintenance and construction costs for.....	62
on public bridge used under lease or franchise, maintenance of.....	299
Plugs, fire, rent of.....	423
Pockets, coal, investment in.....	105
rent payable for.....	208
trestle for, investment in.....	101
Poles, attachments to, expense for and revenue from.....	34
bracket devices on, for support of trolley wires.....	46, 97
creosoting plant expense apportionable to.....	158
installation of, for power and light business.....	153
installation of, on private property, privilege of.....	20
investment in, when used solely for light business.....	300
maintenance of, apportionable to light department.....	316
maintenance of, when located on public bridge.....	299
payments for privilege of erecting.....	374
protection of, against fire, expense for.....	269
readjustment of, in widening street under franchise requirement.....	42
transfer from center to side of street.....	387
transformers on, for station lights, repairs of.....	242
Police protection in time of strikes.....	318
Power apportionable to coal mine operations of carrier.....	245
apportionable to construction for operation of work cars.....	21
apportionable to coordinate departments.....	7, 23, 29, 300
apportionable to operating departments.....	21
damages for failure to furnish.....	412
for arc lights, required by franchise.....	418
furnished to others in return for operation rights.....	338
purchased for car service, segregation of expense for.....	141
purchased for lighting cars and carhouses.....	165
purchased for lighting stopping points along line.....	140
purchased for operation of jointly used bridge.....	280
purchased for operation of track cranes.....	165
purchased for use by a work train.....	375
purchased for use by coordinate departments.....	7, 300
used by work trains engaged in maintenance.....	344

	Case.
Power business, accounting for, as an auxiliary operation.....	188
accounts, expense in connection with.....	362
balance sheet for, merged with railway balance sheet.....	28, 158
equipment for, investment in.....	158
meter reading in connection with.....	248
meters used in, investment in.....	159, 248
power costs apportionable to.....	7, 28
power lines for, investment in.....	204
Power lines. (<i>See Distribution system, Electric line, Transmission system.</i>)	
Power plant boiler-tube caps, reseating machine for cleaning of.....	180
boiler tubes, apparatus for cleaning of.....	122
buildings, betterment of, by partial reconstruction.....	284
buildings, investment in, when for light business.....	190, 198, 300
cinders used in maintenance, handling and hauling of.....	289
coal, labor for unloading of.....	181
coal pocket, investment in.....	105
coal pocket, rent payable for.....	208
coal trestle, investment in.....	101
employees, wages of, for time unloading coal.....	181
equipment, investment in, when for light business.....	190, 198, 300
equipment, investment in, when of substation type.....	196
equipment, rent payable for.....	288, 366
fire alarm service.....	342
fire extinguishers.....	124, 125
fire fighting expense.....	269
gase glasses and glass preservers.....	177
grounds, maintenance items for.....	166, 212
lighting fixtures and lamps, renewals of.....	216
lightning arresters.....	329
machinery, salary and expenses of engineer supervising installation of.....	16
packing material.....	237
passenger elevator, investment in.....	222
smokestack, repairs to.....	195
tools, maintenance expense for.....	209, 287
transformer oil, investment in and renewals of.....	211
water-supply system for condensers, investment in.....	325
(<i>See also Power station.</i>)	
Power station buildings, tools used in maintenance of.....	51
employees, wages of, for time on repair work.....	55
equipment, investment in, when for power and light business.....	153
land, investment in.....	185
lease, expense of.....	426
tracks, investment in.....	229
wagon roads, investment in.....	229
water-supply system for condensers, investment in.....	90
(<i>See also Power plant, Substation.</i>)	
Premium on bond, required to transport bonded merchandise.....	372
Premiums, employers' liability insurance.....	393
on appeal bonds in injuries cases.....	280
on bonds reacquired.....	313
on guaranty bonds given by carrier.....	53
President, automobile of, expense for.....	151
Printing of cards and passes for officers and employees.....	255
of conductors' reports and shortage notices.....	12
of matter used in express and freight business.....	12
of orders for conductors and motormen.....	56
of tariffs.....	56
of tickets.....	414
Private park of carrier, improvements and maintenance of.....	26
property used by carrier. (<i>See Privilege.</i>)	
Privilege in connection with vending machines leased by carrier.....	386
of cutting trees standing near right of way.....	319
of dumping dirt on carrier's land, receipts from.....	297
of locating carrier's poles on private property.....	20
of operating cars on carrier's line, receipts from.....	148
of operating cars on private property.....	20, 327, 388

	Case.
Profit from custom labor.....	25
from sales of storeroom material.....	25
Profit and loss credits for unredeemed tickets of former years	321
debts for depreciation written off.....	183, 310, 315
debts to exclude bond discount from property investment.....	322
Property on ocean front, wall to protect.....	351
Public grants received by carrier.....	91
property used in carrier's operations. (<i>See Bridges, Operation rights.</i>)	
Purchasing agent and staff, salaries of.....	302
department expense apportionable to investment.....	22
Push cars, installation and maintenance of.....	173

Q.

Quarry plant for stone ballast production, investment in.....	176
---	-----

R.

Rail fastenings and joints, labor removing.....	359
fastenings, paving work incident to renewals of.....	279
grinder, classification of, as tool or equipment.....	277
joints, paving work incident to renewals of.....	279
joints, welding of	238, 270
tongs purchased for construction use.....	76
Railings along elevated railway tracks, investment in.....	115
Rails, bridge and trestle, structural classification of.....	115
cartage of, from yard to point of use in construction.....	193
drilling of, for bonding, inclusion of, in rail cost.....	102
elevated railway, structural classification of.....	115
guard, for cars, expense for installing.....	287
guard, investment in, when parts of timber structure.....	115, 225
guard, investment in, when parts of track structure.....	72, 223, 225
labor removing	359
rebonding of	287
relaying of, permit for work incident to.....	146
relaying of, with improved material.....	266
removal of, in connection with replacements.....	266, 359
renewals of, paving work incident to.....	279
repairs of, by filling cups by welding process.....	271
replacement of, labor costs incident to.....	266
welding of, for installing rail joints.....	238, 270
welding of, for repairs.....	271
(<i>See also Track.</i>)	
Rate cases, transcript of evidence in.....	407
Reacquirement of bonds, accounting for.....	313
Reading of meters for power sold, wages of employees engaged in.....	243
Real estate. (<i>See Buildings, Land.</i>)	
Rebonding of rails, expense for.....	287
Receivers of conductors' collections, rent for space used by.....	239
of road, allowances and expenses of.....	219
Reconstruction of car, additions and betterments incident to.....	296
of line, maintenance of temporary track during.....	224
of track, wages of flagmen and watchmen during.....	370
of trestle after destruction by fire.....	252
work, rent of motor busses during.....	419
(<i>See also Conversion.</i>)	
Records, sale of.....	431
Recreation rooms, expense incident to operation of.....	239
furniture and equipment maintenance for.....	239
rent of building space used partly for.....	239
Redemption of tickets, debts for, to ticket suspense account.....	49
of transfers, interline settlements of.....	205
Reducers, hydrant, purchased for construction use.....	76
Refilling of fire extinguishers in cars and power plants.....	125
Refinement in accounting, option as to.....	16, 94, 108, 109, 124, 126, 268

	Case.
Refrigerator cars, expense for icing of.....	805
Registrars' fees in connection with interest disbursement.....	77
Regrading, assessment for.....	376
"Regular rail equipment" defined.....	388
Relaying of curbs in connection with track realignment.....	261
of rails, permit for work incident to.....	146
of rails with improved material.....	266
Relief department, operation expense of and contributions to.....	10
Relocation of curbs at realignment of tracks.....	261
of curbs in widening street under franchise requirement.....	42, 84
of flagstones in widening street under franchise requirement.....	84
of track temporarily during other work.....	88, 224
of track under State requirement.....	264
Remonstrance against ditch construction, expense incident to.....	128
Removal of car ashes to dump.....	65
of cinders from power plant.....	289
of paving for installation of improved material.....	184
of paving in connection with track maintenance.....	174, 279
of rails for installation of improved material.....	266
of snow fences.....	117
of storm sashes from cars.....	287
of trees and stumps from right of way.....	191
of trees and bushes standing near right of way.....	319
Renewals of fire extinguishers in cars and power plants.....	125
of fire hose in buildings.....	127
of hand cars and push cars.....	173
of lighting apparatus along line.....	69
of lighting apparatus in buildings.....	69, 216
of motive features of motor cars.....	182
of ties, equalization of expense for.....	192
of tools used in maintenance work.....	51
of track material, paving expense incident to.....	279
of transformer oil for power stations.....	211
of trolley brackets, scrap material from.....	249
of trolley retrievers and catchers.....	210
of velocipedes.....	173
Rent accrued on equipment standing idle.....	131
apportionable to coordinate departments.....	28
debts improper as means of apportioning costs.....	59, 216
for cars of others used in carrier's service.....	133, 141
for cars payable in form of demurrage.....	314
for cars payable in form of per diem.....	13
for coal pockets appurtenant to power plants.....	208
for equipment of another company used in through service.....	45
for fire plugs.....	423
for general office space used by claims department.....	235
for instruction rooms.....	239
for land for freight house.....	373
for land occupied by temporary buildings used during construction.....	257
for land occupied for carhouse purposes.....	8, 241
for land occupied partly by repair shop and storeroom.....	241
for land used as storage space for maintenance and construction material.....	36
for land used as track space.....	20, 38
for leased road in form of interest on lessor's bonds.....	333
for motor busses.....	419
for operation rights on private property.....	20, 338
for operation rights on viaduct of another company.....	327
for power plant building.....	366
for power plant equipment.....	366
for power plant equipment held for emergency use.....	283
for receiving rooms for conductors' collections.....	239
for recreation rooms for use of employees.....	239
for right of way on Government reservation.....	81
for telephone interior systems in general offices.....	337
for telephone lines used by carrier in car operation.....	68
for telephone service in stations and offices.....	140

	Case.
Rent for transmission line space in subway of another company.....	175
for transmission lines.....	306
for work equipment used in construction work.....	92, 131
for work equipment used in maintenance work.....	274
from attachments to poles by others.....	34
from building partly subleased by carrier to others.....	330
from equipment assigned to service with contractor.....	59
from equipment includible in account 116.....	428
from freight line leased to steam road.....	142
from office space in building used partly by carrier.....	37
from operation rights on company's tracks.....	148
from road leased on terms requiring payment by lessee of interest on lessor's bonds.....	333
Rented property. (<i>See Leased property, Rent.</i>)	
Renumbering of accounts for convenience of carrier.....	1
Repair pits, repairs of heating system in.....	405
shop, rent for land occupied partly by.....	241
truck used also for transportation, investment in and revenue from.....	317.
wagons, apportionment of expense for.....	18
Repairs, accounting for, at conversion of car.....	296
accounting for, when made to leased property.....	43, 44, 69, 131
deadheading cars for, wages of trainmen engaged in.....	306
employees engaged incidentally in, wages of.....	55
equalization of cost.....	406
fire hose bridges.....	439
flags.....	415
heating system.....	405
patterns used in.....	71
paving work incident to.....	174
permit by city for work incident to.....	146
reserve for, when delayed beyond current year.....	139
storage land rent apportionable partly to.....	36
storeroom expense apportionable to.....	273
tools used in, first cost and maintenance of.....	51
work car used in, when for benefit of another road.....	171
<i>(See also Maintenance, and references to specific property items.)</i>	
Repaving. (<i>See Paving.</i>)	
Replacement of air hose.....	429
of car-house watchmen's portable clocks.....	206
of electric equipment parts.....	169
of fire grenades in cars and power plants.....	125
of fire hose in buildings.....	127
of paving when cost is covered by payment to city for permit to open pavement.....	146
of paving when incident to construction work.....	112
of paving when incident to track repair work.....	174, 279
of power plant equipment.....	122, 130, 177
of rail with improved material.....	266
of trestle destroyed by fire.....	252
<i>(See also Maintenance, Renewals.)</i>	
Reports of conductors, printing of.....	12
to Interstate Commerce Commission, requirements as to.....	6, 12, 41
to regulating bodies, salaries of employees engaged on.....	80
Reseating machine for cleaning boiler-tube caps at power plants.....	130
Reservation, Government, payment for operation rights on.....	81
Reserve for depreciation accrued prior to July 1, 1914.....	250, 315
for depreciation charged by lessee of equipment.....	310
for depreciation, exclusion of repair expense from.....	296
for depreciation prior to July 1, 1914, excluded from operating expenses.....	311
for injuries and damages.....	413
for loss and damage claims.....	79
for postponed repairs of flood damage to road.....	139
Reservoirs, wagon roads for patrolling of, investment in.....	229
water rights and land for, investment in.....	228
Resetting curbs in realigning tracks.....	261
in widening street under franchise requirement.....	42
Retaining wall for protecting roadway banks, construction and maintenance for.....	35

	Case.
Retirement of equipment, accounting for.....	183, 815
Retrievers, trolley, installation and maintenance of.....	210
Revenue accounts not chargeable with payments to others for use of their equip- ment.....	183
credits for revenue deficiency made good under guaranty.....	268
credits improper for transportation of company material.....	143
debits for conductors' shortages relieved.....	160
debits for freight overcharges.....	323
debits for transfer settlements with other companies.....	205
freight, at a flat rate per car.....	892
from advertising cards in cars.....	358
from advertising for others.....	227
from auxiliary operations.....	188
from cars furnished for private use.....	197
from cars run on extra trips to handle traffic.....	197
from cartage covered by freight rates.....	132
from corpse transportation.....	170
from dog transportation.....	178
from express service.....	93, 156, 178, 328
from milk transportation.....	285, 328
from newspaper transportation.....	156, 317
from operation of vending machines.....	335
from rent of buildings.....	330
from repair work done for steam road.....	171
from sprinkler car service furnished to city.....	30
from switching of steam road cars.....	339
from ticket sales.....	278
from tickets unredeemed.....	286, 321
from transfers redeemed.....	205
Right of way, assessments on property held for.....	85, 119, 161, 207
betterments of public bridge used as.....	194
construction work on, damage costs incident to.....	172
construction work on, payment for relief from.....	282
contribution by carrier to public bridge used as.....	217
cost of building street over.....	353
curbs for protecting, investment and maintenance for.....	386
investment in, when costs are payable in form of public improve- ments.....	162
paving on, where intersected by public street.....	236
removal of trees and stumps on.....	191
removal of trees and bushes standing close to.....	319
removal of weeds from.....	61
rent, payable for, when located on property of others.....	81, 338
station space included in or contiguous with, investment in.....	262
widening of street space along.....	42, 84
<i>(See also Roadbed, Roadway.)</i>	
Rings, carbon, for power plant turbines.....	237
Riveting machines mounted for track work, installation and maintenance of.....	283
Road and equipment accounts. <i>(See Construction.)</i>	
Road constructed under contract, distribution of debits for.....	218
leased to another carrier, income from.....	142
purchased, inclusion of delayed items in cost of.....	324
Roadbed, drainage of, installation and maintenance of tiling for.....	291
filling of land used for.....	83
grading and widening of, expense incident to.....	289
<i>(See also Right of way, Roadway.)</i>	
Roads, construction of, at undergrade crossings.....	202
filling of, to head of rail.....	100
investment in, for power stations and water-supply system.....	229
<i>(See also Crossings, Driveway, Highway, Streets.)</i>	
Roadway ditches, investment in.....	119
labor, investment items for.....	100, 113, 221
labor, maintenance items for.....	35, 61, 291, 292, 319
machinery and tools.....	137, 173, 176
protection against fire.....	269
protection against high tides.....	85
<i>(See also Right of way, Roadbed.)</i>	

	Case.
Robbery of conductor, loss to carrier by.....	231
Roller, steam, rent for, when used in maintenance.....	274
Rooms. (<i>See Offices, Rent.</i>)	
Routing of shipment, overcharge due to error in.....	323
Royalty, for dumping device.....	408
on patent used in conversion of cars.....	275
Rubber bands used by conductors in sorting and bunching tickets.....	168

S.

Salaries of car-service agent.....	305
of clerks compiling reports to regulating bodies.....	80
of clerks engaged on freight claims.....	295
of clerks handling department accounts in general offices.....	66
of clerks of car-service agent.....	305
of clerks when apportionable to coordinate departments.....	28
of engineer supervising construction and installations.....	16
of engineers compiling data for reports to regulating bodies.....	80
of officers and clerks engaged in operation and construction.....	379
of purchasing agent and assistants.....	22, 302
of storeroom employees.....	302
of weighmasters of freight bureau, payments by carrier toward.....	261
(<i>See also Wages.</i>)	
Salary of a special agent.....	422
Sale of advertising space in time-tables, receipts from.....	227
of bonds, expense incident to.....	9
of bonds, receipts from, set aside for property investment.....	298
of grading camp, receipts from.....	258
of gravel.....	381
of material from storeroom, profit from.....	26
of passenger transportation.....	49, 50, 278
of sanitary cups from vending machines, receipts from.....	335
of scrap material, adjustment of salvage credits after.....	249
of scrap material, expense deductions from receipts for.....	138
of stamps used for newspaper prepayment, receipts from.....	156
of waste paper and records.....	431
of work equipment after use in construction.....	137
Salvage from building when obtained during partial reconstruction.....	234
from buildings used temporarily during construction.....	257
from car destroyed in wreck, material account charges for.....	183
from tools used in construction work.....	76
Sashes, storm, on cars, expense for removal of.....	287
Scale in power plant boiler tubes, apparatus for removal of.....	122
School tickets. (<i>See Tickets.</i>)	
Scrap material recovered from pole fixtures and held pending sale.....	249
recovered from property damaged while stolen.....	293
sold, preparation and shipment of.....	138
Scrapers, snow, installation of.....	281
Section foremen in maintenance work, wages of.....	292
Securities, commissions paid for purchase of.....	433
set aside in fund to meet cost of new property.....	298
Service, advertising changes in.....	427
Service equipment, appliances for, definition of.....	293
appurtenant parts of.....	281, 294
disposal of, at close of construction.....	137
investment in, for construction use.....	137
investment in, for use in operations.....	137, 233, 281
maintenance of.....	14, 30, 157, 233
motive equipment for.....	14, 157, 233
officers' business cars.....	421
when "regular rail equipment".....	388
(<i>See also Cars, Equipment.</i>)	
Setting up snow fences.....	117
Sewer assessments for public sewers.....	85, 161, 396
connections installed under franchise requirement.....	42

	Case.
Shop equipment, depreciation of, subaccounts for.....	809
equipment, inclusion of air-compressor conduits in.....	96
equipment, inclusion of creosoting plant in.....	158
equipment, maintenance expense for.....	11, 95, 96
expense apportionable to construction.....	19, 78
expense apportionable to work for outside parties.....	19, 25
expense for oil cans.....	209
expense for renewals of electric-light fixtures and lamps.....	216
expense not distributable to operating accounts.....	78
fire drills, expense incident to.....	268
land, investment in.....	135
land, rent payable for.....	241
power, segregation of costs for.....	7, 21
removing foundations for.....	359
Shortages of conductors, printing of notices for.....	12
relief granted for.....	160
Shovel, steam, investment in, for use in construction work.....	137
maintenance of.....	14
sale of, at close of construction work.....	137
Shrubs about buildings, expense for.....	212
Sick leave, wages of foreman on.....	425
Sickness, contributions to employees on account of.....	10
Sidewalks, adjustment of, in widening street under franchise requirement.....	42, 84
installation of, in depots and depot grounds.....	134
repaving of, in connection with track realignment.....	261
(See also Crosswalks.)	
Signal apparatus, installation of wiring for.....	94
expense for, on jointly used bridge, apportionment of.....	260
tools used for maintenance of, repairs of.....	51
wages of men engaged in operation of.....	64
Signs forming essential parts of cars, first cost and maintenance of.....	54
hooked on cars for indicating destinations.....	54
indicating car stops, first cost and repairs of.....	276
warning against third-rail.....	230
Sinking fund additions made under contractual requirements.....	312
assets.....	435
Sleet cutters and cutter wheels, first cost and maintenance of.....	169
Slips for ferries, maintenance of.....	74
Slot machines for drinking cups, expense for and revenue from.....	335
Smokestack of power plant, repairs of.....	195
Snow fences, installation and repairs of.....	117
fences, setting up and removal of.....	117
plows attached to cars, investment in and repairs of.....	106
scrapers, installation of.....	281
Sockets for electric lamps in buildings, renewals of.....	216
Solicitation expense for sale of tickets at stores along line.....	15
Spark plugs for gasoline motor cars.....	182
Special agent, salary and expenses.....	422
Special cars furnished for private use, revenue from.....	197
deposits to meet cost of new property investment.....	298
train moved under guaranty of receipts, revenue from.....	263
trips due to increased traffic, revenue from.....	197
Special work, electric line connections for, repairs of.....	32
guard rail investment assignable to.....	72
labor removing.....	359
paving about, investment in.....	134
repairing of, by welding process.....	272
switch targets for, installation and painting of.....	841
Springs, trolley, first cost and repairs of.....	38
Sprinkler car for watering tracks, operation and repairs of.....	80
devices for weed killing, maintenance expense for.....	61
Sprinkling of streets, expense for.....	80, 121
revenue from.....	30
Stable expense, apportionment of, to construction.....	18
apportionment of, to coordinate departments.....	41
permissible distribution of, to operating accounts.....	41

	Case.
Stamps for prepayment of newspaper rates, revenue from sale of.....	156
State authorities, salaries of employees engaged on reports to.....	80
inspection law, license fees payable under.....	213
taxes, payments of.....	87
Station, in building used for general offices, expenses of.....	410
union, expense of operation.....	389
Station employees, freight bureau weighmasters classed with, payments toward wages of.....	201
joint station, settlements for wages of.....	332
storekeepers doing work of, wages and commissions of.....	15
substation attendant doing work of, wages of.....	108
time of, aiding train dispatching, pay for.....	187
time of, sprinkling in front of stations, pay for.....	121
Stationery expense for paper dials of carhouse watchmen's clocks.....	206
expense, permissible distribution of, to operating accounts.....	12
used by conductors in car service.....	12
used by engineering department.....	246
used by superintendence clerks.....	12
used for sorting and filing canceled tickets.....	123, 168
used in express and freight business.....	12
(See also Printing.)	
Stations, destruction of, by fire, loss due to.....	240
driveways for freight handling at, repairs of.....	259
electric-light fixtures at, renewals of.....	216
electric-light lamps at, renewals of.....	69, 216
electric-light transformer at, repairs of.....	242
electric-light wiring at, repairs and renewals of.....	69
joint expense for, settlements with other companies for.....	332
land acquired for grounds of, investment in.....	135
land used for, when coincident with right of way, investment in.....	262
sprinkling in front of, expense for.....	121
stores used as, ticket-selling expense in connection with.....	15
street improvements on premises of.....	134
oil cans for use at.....	209
telephone service at.....	68, 149, 167
used jointly, expenses of.....	403
vending machines installed in, expense for and revenue from.....	335
waiting rooms rented from others for, repairs to.....	44
Statistics for reports to public bodies, pay of employees engaged on.....	80
of car hours, items covered by.....	40
Steam, mains and pipes for conveying.....	420
Steam locomotives, maintenance of.....	4, 131
locomotives, operation of.....	4, 131, 215
locomotives, rent payable for, when in construction service.....	131
roller, rent payable for, when in maintenance work.....	274
Steam shovel, disposal of, at close of construction.....	137
excavating ballast, expenses of.....	417
investment in, for construction use.....	137
maintenance of.....	14
Steam shovels, when "regular rail equipment".....	388
Steam road crossings, guard rails used at.....	72
planks used at.....	62
wages of derailer leverman at.....	64
Stock. (See Capital stock, Securities.)	
Stone crusher at quarry for ballast production.....	176
crusher mounted on car, maintenance of.....	14
filling used in tracks.....	57
Stop signs, installation and repairs of.....	276
Stopping points along line, power for electric lights at.....	140
Storage batteries of motor cars, electrolyte for.....	182
coal pockets for power plant, rent payable for.....	208
land for track material, rent payable for.....	36
machinery for compressed air, maintenance and operation of.....	95
tanks for compressed air, maintenance and operation of.....	11
Store expense apportionable to construction.....	6
apportionable to coordinate departments.....	41
apportionable to work for outside parties.....	19, 273

	Case.
Store expense distributable to operating accounts.....	6, 41
for collection of scrap material.....	138
for damage suffered by property while stolen.....	203
for salaries of storeroom employees.....	302
Storeroom accounts, salaries of general office clerks engaged on.....	66
buildings, maintenance of.....	302
buildings, rent payable for land partly occupied by.....	241
employees, salaries of.....	302
<i>(See also Supply houses.)</i>	
Stores, rent received from, when occupying carrier's building.....	37
ticket selling at, commissions and wages for.....	15
Storm sashes on cars, removal of.....	287
Stoves, in cars, installation and maintenance.....	365
Street built over right of way, cost of.....	353
Streets, alterations of, incident to realignment of track.....	261
footwalks in. <i>(See Crosswalks, Sidewalks.)</i>	
installation of, investment necessitated by.....	85
operation rights on, payments to municipalities for.....	20
parkways of, installation of.....	256
paving of. <i>(See Paving.)</i>	
planking used in, at steam road crossings.....	62
regrading of, by carrier in return for operation rights.....	162
repairs of, wages of extra car-service men necessitated by.....	82
restoration of, after construction work.....	112
sprinkling of, expense for.....	30, 121
sprinkling of, revenue from.....	30
widening of, under franchise requirement.....	42, 84
Strike, expenses due to and wages of men employed during.....	318
Stringing wires, privilege of. <i>(See Attachments.)</i>	
Structures, elevated, removing foundations.....	359
for support of trolley line, definition of.....	46
in free private park, investment in.....	26
of miscellaneous nature, investment in.....	101, 105, 152
under construction, premiums for insurance on.....	136
<i>(See also Bridges, Buildings, etc.)</i>	
Stumps on right of way, removal of.....	191
Subaccounts for depreciation of equipment.....	308, 309
for distribution system.....	3
for meters used in power and light business.....	159
for motor features of gasoline motor cars.....	182
Sublease of part of building used by carrier, revenue from.....	330
Subsidiary company, advances to.....	340
Substation buildings, tools used in maintenance of.....	51
cars, construction of.....	214, 233
employees, wages of, for time acting as station agents.....	108
employees, wages of, for time aiding train dispatching.....	187
employees, wages of, for time engaged on repair work.....	55
equipment installed in power plant building, investment in.....	196
equipment mounted on car, investment in.....	214, 233, 284
equipment mounted on car, maintenance of.....	233, 284
fire fighting expense.....	269
lighting, renewals of lamps and fixtures for.....	216
lightning arresters, expense for.....	329
oil cans, expense for.....	209
transformer oil, investment in and renewals of.....	211
<i>(See also Power station.)</i>	
Subways of another company, rent for space in, used for location of transmission line.....	175
of carrier, segregation of lighting system maintenance for.....	116
under elevated tracks, expenditures incident to operation rights in.....	162
Superintendence, electric clock service in connection with.....	129
floating equipment, in connection with maintenance.....	290
printing and stationery used in connection with.....	12
rooms used for purposes of, rent payable for.....	239
salaries of car-service agent and clerks assignable to.....	305

	Case.
Superintendence, salaries of engineers assignable to-----	16, 80
wages of inspectors engaged in-----	304
wages of station men excluded from, when aiding in dispatching-----	187
Superintendents, automobiles used by, expense for-----	151
Superintendent's office, heating system repairs-----	405
Supervision. (<i>See Superintendence.</i>)	
Supplies and materials, accounting for-----	434
for construction work-----	394
for general offices, apportionment of, to coordinate departments-----	28
for operation of creosoting plant-----	158
for operation of equipment used in construction-----	131
used by carrier, charges improper for carrier's transportation of-----	143
(<i>See also references to specific items.</i>)	
Supply houses used temporarily during construction, expense for-----	257
Surplus appropriated in lieu of dividends and interest payable into sinking funds--	312
Suspense account for equalization of primary expense accounts-----	307
for sales of passenger transportation-----	49, 50
Switch fixtures for lights in buildings, renewals of-----	216
Switch, track, installation-----	380
Switches, electric line connections with, repairs of-----	32
guard rails used with-----	72
keys for locks of-----	326
land for location of, rent payable for-----	33
lights for, installation of electric wiring for-----	94
overhead, installation on ferry boat-----	416
targets for, installation and painting of-----	341
Switching revenue, at flat rate per car-----	392
Switching service, demurrage in connection with-----	254
expense for operation of-----	215, 339
revenue from-----	339

T.

Tanks, air-storage, machinery for, maintenance and operation of-----	95
air-storage, maintenance and operation of-----	11
fuel-oil, for ferry operations, maintenance of-----	74
Targets for switches, installation and painting of-----	341
Tariffs, printing of-----	56
Taxes, assessment for utility commission expenses-----	438
exclusion of, from general expense-----	17
franchise, levied on operating revenues-----	67, 87
interest upon, when taxes are payable in installments-----	267
license, based upon carrier's operations-----	67, 87
on land for freight house-----	373
paving assessments excluded from-----	2
payments of, for operation rights in city limits-----	20, 67
payments of, for operation rights on Government property-----	24, 81
payments of, for operation rights on public bridge-----	163, 299
payments of, upon property used in light business-----	28
proceeds from, received by carrier under public grant-----	91
State, based on capital stock-----	87
(<i>See also Assessments.</i>)	
Teaming. (<i>See Cartage, Hauling.</i>)	
Tearing up paving when necessitated by track repairs-----	174
Telegraph companies, attachments by, to poles of carrier, revenue from-----	34
fire alarm service furnished by, expense for-----	342
poles of, attachments by carrier to-----	34
Telephone batteries, expense for-----	167
booths located along line for dispatching purposes-----	253
companies, attachments by, to poles of carrier, revenue from-----	34
companies' poles, attachments by carrier to-----	34
interior systems in general offices, investment in and rent for-----	337
lines for use in carrier's car operations, rent payable for-----	68
service at stations and in offices-----	68, 149
service for claims department using general office space-----	225
Temporary buildings for use during construction, expense for-----	257
track for use during public work in street, expense for-----	83

	Case.
Terminal grounds, land for, investment in	135
houses for change between overhead and underground line.....	107
switching, wages of employees engaged in.....	215
Testimony, transcript of, in rate cases.....	407
Theft of conductors' remittances, loss by.....	108
of storehouse material, loss by.....	203
Third-rail, signs for warning against.....	230
Ticket bureau, maintenance of.....	414
Tickets, cost of printing.....	414
filing of, when canceled, envelopes and bags for.....	123
redemption of, suspense account debits for.....	49
revenue from, when invalid after current month.....	278
selling of, at stores along line, commissions and wages for.....	15
sorting of, by conductors, rubber bands used in.....	168
unredeemed, of previous years, cancellation of balance for.....	821
unredeemed, revenue credits for, when written off.....	286, 321
<i>(See also Mileage books.)</i>	
Tidal damage to roadway, retaining wall for protection against.....	35
Ties and lumber, for company fuel.....	397
Ties, creosoting plant expense apportionable to.....	158
equalization of expense for.....	192
exclusion of, from structural accounts.....	115
foundation for, of concrete, investment in.....	221
in stock, cost of handling.....	397
labor removing.....	359
plugs for filling spike holes in.....	63
purchase of, in advance of use.....	192
<i>(See also track.)</i>	
Tiling for draining roadbed, installation and maintenance of.....	291
Time. <i>(See Car hours, Disability, Idle time, Overtime.)</i>	
Time-table advertising, receipts from.....	227
Timekeepers' offices used temporarily during construction, expenditure for.....	257
Titles of real property, examination of, in connection with bond validity.....	86
Toll charges for telephone service, payments of.....	68, 149
Tongs, rail, purchased for construction use.....	76
Tool houses used temporarily during construction, expense for.....	257
Tools for application to service equipment, installation and maintenance of.....	294
for carpenters and painters engaged in maintenance work.....	334
for construction.....	367
for construction work, cost charges and salvage credits for.....	76, 367
for general purposes, maintenance of.....	51
for maintenance work, repairs and renewals of.....	51
for power plants, installation of.....	237
for removal of trees and bushes near right of way.....	319
for removal of weeds from track and roadway.....	61
for track work, inclusion of rail grinders and bonding apparatus in.....	277
Tower wagons, apportionment of expense for.....	18
Tracing cloth for engineering department.....	246
Track cleaning by removal of weeds, expense for.....	61
construction, hauling of material in connection with.....	114, 193
construction, paving incident to.....	2, 134
construction, rent and operation of equipment used in.....	92
construction, temporary, necessitated by public sewer work.....	88
cranes, power purchased partly for operation of.....	165
filling, maintenance expense for.....	57
foremen in maintenance work, wages of.....	292
foundations, investment in.....	221
foundations, investment in, when at pit in car house or yard.....	152
investment for service of water-power stations.....	229
leased to another company for exclusive use, income from.....	142
maintenance for temporary connections during reconstruction work.....	224
maintenance on public bridge used by carrier.....	299
material, rent of land for storage of.....	36
realignment, street alterations incident to.....	261
regrading under municipal requirement.....	320

	Cash.
Track relocation temporarily during reconstruction work.....	234
relocation under State requirement.....	264
renewals, wages of extra car-service men during.....	248
repairs coincident with paving work.....	251
repairs, paving work incident to.....	174
repairs, payments to city in connection with.....	146
riveting machines, investment in and maintenance of.....	233
space in highway, curbing for separation of.....	336
space on private property, rent payable for.....	20
space on public bridge, payments for.....	290
switch, installation.....	380
welding, expense for.....	51, 270, 271, 272
<i>(See also Ballast, Rails, Ties.)</i>	
Trackage used by another carrier, rent receivable from.....	148
Traffic associations, general manager's expense for attendance at.....	179
Trainmen, burial expenses of, when killed by ejected passenger.....	118
compensation of, paid to carrier by express companies.....	331
deposits by, unclaimed at leaving service.....	244
uniforms for, furnished in recognition of good service.....	345
wages of, when acting as pilots on cars.....	147, 148
wages of, when engaged in auxiliary operations.....	245
wages of, when engaged in maintenance work.....	344
wages of, when operating steam locomotives.....	215
<i>(See also Conductors, Motormen.)</i>	
Transcript of testimony in rate cases.....	407
Transfer of mail from car to post office under mail contract.....	58
Transfers, redemption of, in interline settlements.....	205
Transformers at power plants, rent payable for, for emergency use.....	283
at power stations, oil for, investment in and renewals of.....	211
at stations for electric lighting, repairs of.....	242
Transmission lines, rent of.....	306
Transmission parts of gasoline motor cars, repairs of.....	182
Transmission system, attachments of, to poles of other companies.....	34
investment in, when used for light business.....	198
lightning arresters for.....	329
location of, on property of others, expense for.....	20, 173
terminal house for, installation and repairs of.....	107
tools used in maintenance of, repairs and renewals of.....	51
<i>(See also Electric line.)</i>	
Transportation by auto truck, revenue from.....	317
by cars. <i>(See Express, Freight, Mail, Passenger.)</i>	
of employees, impropriety of charges for.....	232
of men and material.....	371
Trees on right of way, removal of.....	191
standing close to right of way, cutting of.....	319
Trestle, investment in, for use with coal pocket.....	101
replacement of, after destruction by fire.....	252
structural parts peculiar to, classification of.....	115
Trestles, removing foundations.....	350
Trial of person for killing trainman, expense incident to.....	118
Trip sheets for conductors, printing of.....	12
Trolley brackets, classification of.....	46
brackets, scrap obtained from renewals of.....	249
catchers, installation and maintenance of.....	210
contacts for electric switch connections, repair of.....	33
parts for cars, first cost and repairs of.....	38
retrievers, installation and maintenance of.....	210
Truck, auto, for repair and transportation service, investment in and revenue from.....	317
Trucks of cars, inclusion of, in car structure.....	5, 38, 233
Trustees, commissions and fees of, for paying out bond interest.....	77
commissions for redeeming bonds.....	360
Tubes and tube caps of boilers, apparatus for cleaning of.....	122, 130
Turbines at power plants, carbon rings for.....	237
Turn-outs, guard rails used with.....	72
Turnstiles, passimeter, maintenance of.....	201

U.

	Case.
Unclaimed deposits of trainmen at leaving service.....	244
Undergrade crossings, construction items assignable to.....	202
Underground conduits, excavation costs for.....	226
construction, excavation costs for.....	226
construction, inclusion of pit structure in.....	152
construction, labor for installation of.....	113
system, pit for change from, classification of.....	152
system, terminal house for change from, installation and repairs of..	107
Unfunded debt, classification of unpaid paving installments in.....	267
Uniforms for trainmen provided in recognition of good service.....	345
Union station, operation.....	389
Unloaders, when "regular rail equipment".....	388
Unloading of cinders from power plant when applied to maintenance.....	289
of cinders used in filling grounds of buildings.....	166
of coal at car houses when for use in car stoves.....	180
of coal at power plants.....	181
of rails at point of use for construction.....	193
Unredeemed ticket balances, credits for writing off.....	286, 321
Utility commission expenses, payments for.....	438

V.

Varnishing of cars, maintenance expense for.....	287
Vehicles. (<i>See Auto trucks, Automobiles, Wagons.</i>)	
Velocipedes, installation and maintenance of.....	173
Vending machines for drinking cups, expense for and revenue from.....	335
Viaduct of another company, payment for operation rights on.....	327

W.

Wages of bridge tenders on bridge used under lease or franchise.....	70
of car-service extra men necessitated by temporary conditions.....	82, 248
of car-house employees for time unloading coal.....	180
of conductors and motormen "breaking in".....	400
of draftsmen in maintenance work when aiding other than maintenance....	343
of employees assigned to work for outside parties.....	59, 147
of employees for time engaged in fire drills.....	268
of employees for time incidentally reading meters for power sold.....	243
of employees for time lost by disability.....	10, 52, 110, 111, 425
of employees handling gravel.....	381
of employees operating motor cars.....	4
of employees operating steam locomotives.....	4, 215
of employees taking place of striking employees.....	318
of employees when reimbursed by outside parties benefited.....	25, 148, 331, 332
of flagmen during reconstruction.....	370
of flagmen temporarily placed where track renewals are in progress....	248, 370
of foreman on sick leave.....	425
of garage men in charge of automobiles.....	151
of general officer janitor aiding transportation service.....	109
of inspectors of equipment and of car service.....	304, 386
of levermen on derailleurs at steam road crossings.....	64
of persons selling tickets at stores along line.....	15
of pilots directing operation of cars.....	147
of power plant employees for time unloading coal.....	181
of power station employees for time engaged on repair work.....	55
of station agents aiding in train dispatching.....	187
of station employees at joint stations.....	332
of substation employees aiding transportation service.....	108, 187
of track and section foremen in maintenance work.....	292
of trainmen aiding work of another company.....	148, 331
of trainmen assigned to nonrevenue service.....	306
of trainmen engaged in auxiliary operations.....	245
of trainmen operating maintenance work trains.....	344
of watchmen on construction work.....	394
of wharf employees.....	404
<i>(See also Labor, Salaries.)</i>	

	Case
Wagon expense apportionable between construction and maintenance.....	18
roads for power stations and water-supply systems.....	229
Walks. (<i>See Crosswalks, Footwalks, Sidewalks.</i>)	-
Wall, construction of, for protecting roadway against tides.....	25
reconstruction of, during extension of building.....	234
to protect ocean front property.....	251
Warning signs in connection with third-rail.....	230
Washers, trolley.....	38
Washing of cars, car-service expense for.....	287
Waste for automobiles used by officers and linemen.....	151
for steam motor and gasoline motor cars.....	4
Waste paper, sale of.....	431
Watchmen at car houses, portable clocks and dial supplies for.....	205
on construction work, wages of.....	394
wages of, during track reconstruction.....	370
Water damage by floods, reserve to meet deferred repairs of.....	139
damage by tides, wall to protect roadway against, construction of.....	35
department, stable and store expense apportionable to.....	41
expense for steam motor and gasoline motor cars.....	4
Water-supply connection at car barn for fire protection, installation of.....	346
system for power-station condensers.....	90, 325
system, investment in water rights for.....	228
Waterways, ditches of, construction of.....	119
dredging of, for drainage purposes, assessments for.....	207
Weeds on track and right of way, tools and material for removal of.....	61
Weighmasters of freight bureau, payments toward salaries of.....	201
Welding crucibles used in maintenance work, expense for.....	51
of rail joints, maintenance and construction costs for.....	238, 270
of worn rails, expense for.....	271
of worn special work, expense for.....	272
Well for supplying water to power plant condensers, investment in.....	325
Wharf, ferry, maintenance of slips and fuel-oil tanks at.....	74
employees, wages of.....	404
Wheelbarrows purchased for construction work.....	76
Wheels, extra set kept on hand.....	399
sleet cutter, first cost and maintenance of.....	169
trolley, first cost and repairs of.....	38
Wicks used in construction work.....	394
Wires, attachment of, to bridges, tax payments for.....	24, 163
attachments of, to poles, expense for and revenue from.....	34
cutting of, to permit moving of buildings through streets.....	73
trolley, bracket, supports of, classification of.....	46, 97
trolley, contacts installed in, repair of.....	32
(<i>See also Electric line, Wiring.</i>)	
Wiring for electric devices forming parts of cars, classification of.....	5, 38
for electric lights at station, repairs and renewals of.....	69
for electric lights at switch, installation of.....	94
for electric motive equipment of cars, classification of.....	5, 38
for electric track switch, repairs of.....	32
for motive features of gasoline motor cars, repairs and renewals of.....	182
(<i>See also Wires.</i>)	
Witness fees at coroner's inquest.....	164
Wood-preserving plant, installation and maintenance of.....	158
Work cars. (<i>See Car service, Cars.</i>)	
trains, operation of, for maintenance.....	344
Workmen's compensation for injuries.....	413
Wreck of car, salvage and loss from.....	183
Wrenches, hydrant, purchased for construction use.....	76

Y.

Y-track, land for location of, rent for.....	33
Yard, classification of pit located in.....	152

Accounting Bulletin No. 15

**INTERPRETATIONS
OF
ACCOUNTING CLASSIFICATIONS**

**PRESCRIBED BY THE
INTERSTATE COMMERCE COMMISSION**

**FOR
STEAM ROADS**

**IN ACCORDANCE WITH SECTION 20 OF THE
ACT TO REGULATE COMMERCE**

Effective on January 1, 1918

(Supersedes Accounting Bulletin No. 10)

THE INTERSTATE COMMERCE COMMISSION.

HENRY C. HALL, *Chairman.*

EDGAR E. CLARK.

WINTHROP M. DANIELS.

JAMES S. HARLAN.

CLYDE B. AITCHISON.

CHARLES C. McCHORD.

ROBERT W. WOOLLEY.

BALTHASAR H. MEYER.

GEORGE W. ANDERSON.

GEORGE B. MCGINTY, *Secretary.*

ORDER.

At a General Session of the INTERSTATE COMMERCE COMMISSION, held at its office in Washington, D. C., on the 17th day of December, A. D. 1917.

The subject of a Uniform System of Accounts to be prescribed for and kept by carriers being under consideration, the following order was entered:

It is ordered, That the interpretations of the accounting classifications for steam roads, prepared under the direction of this Commission and embodied in printed form to be hereafter known as Accounting Bulletin No. 15, a copy of which is now before this Commission, be, and the same is hereby, approved; that a copy thereof, duly authenticated by the Secretary of the Commission, be filed in its archives, and a second copy thereof, in like manner authenticated, in the office of the Bureau of Carriers' Accounts; and that each of said copies so authenticated and filed shall be deemed an original record thereof.

It is further ordered, That the accounting methods directed in the interpretations contained in the said Accounting Bulletin No. 15 be, and they are hereby, prescribed for the use of steam roads subject to the provisions of the Act to Regulate Commerce, as amended, in the keeping and recording of their accounts.

It is further ordered, That January 1, 1918, be, and it is hereby, fixed as the date on which the said Accounting Bulletin No. 15 shall become effective.

By the Commission.

[SEAL.]

GEORGE B. MCGINTY,
Secretary.

**INTERSTATE COMMERCE COMMISSION,
BUREAU OF CARRIERS' ACCOUNTS,
*Washington, D. C., January 8, 1918.***

TO ACCOUNTING OFFICERS OF STEAM RAILWAYS:

In this accounting bulletin is presented a reissue of Cases 1 to 203, inclusive, as formerly stated in Accounting Bulletin No. 10, except for the correction of misplaced terms in Case 176. To these previously published cases are now added a supplementary series embodied in Cases 204 to 293, inclusive.

The cases now given their initial publication have been submitted in tentative form to the Association of American Railway Accounting Officers.

**FRED W. SWENEY,
*Chief Examiner of Accounts.***

CASE 6.

Query. The text of the clearing account "Material store expenses" provides that the account shall be closed out at the end of the year. Shall not a balance representing cost of handling material in stock at the end of the year be carried over to the next year?

Answer. Such balance shall not be carried over to the next year.

CASE 7.

Query. To what account shall be charged expenses of hauling loads from mines to points of concentration and distributing empties to mines?

Answer. If the mines are located within the switching limits of the concentration station, such expenses shall be charged to the appropriate yard-service accounts. If not so located, and the freight is billed from the mines, the entire service shall be classed as train service.

The expenses and the statistics of locomotive-miles, car-miles, train-miles, ton-miles, etc., shall be treated accordingly. (See Case 97.)

CASE 8.

Query. To what account shall be charged the wages of motormen and the expenses of operating gasoline motor cars used in revenue train service?

Answer. Wages of motormen are provided for in account No. 393, "Train motormen." The expense for gasoline and other fuel, lubricants, and other supplies, including enginehouse expenses, if any, shall be charged to account No. 402, "Train supplies and expenses." The carrier's records shall be kept in such manner as to show separately the cost of gasoline or other fuel consumed in the operation of such cars.

CASE 9.

Query. Road A turns Road B's locomotive. A charges B for turning the locomotive and for use of the tracks. What is the correct accounting by both roads?

Answer. If the use of the facilities is not in connection with the joint use regularly of other facilities, the compensation for turning the locomotive and for use of the tracks shall be credited by A to revenue account No. 143, "Miscellaneous," and charged by B to expense account No. 402, "Train supplies and expenses." If, however, the use of these facilities is under a joint facility arrangement, the accounting by each road shall be in accordance with the rules prescribed for joint facility accounts.

CASE 10.

Query. When the president of a carrier company is directly in charge of the operating departments, how shall the salaries and expenses of that officer and his clerks be distributed?

Answer. If the president is immediately in charge of the departments usually supervised by officers named in the accounts "Superintendence" under Maintenance of Way and Structures, Maintenance of Equipment, Traffic, and Transportation, his salary and expenses and those of his clerks and assistants shall be apportioned in accordance with Note A under expense account No. 451, "Salaries and expenses of general officers." If the president has, as is usual, only general supervision over the various departments, his salary and expenses shall be charged to expense account No. 451, "Salaries and expenses of general officers."

CASE 11.

Query. Road B is required, under agreement with Road A, to provide equipment to replace that destroyed or sold, or to pay an equivalent in cash to Road A. Is it per-

missible for B to keep a dismantled-equipment account wherein to show the exact amount due A because of dismantled and sold equipment?

Answer. Such an account may be kept. The credit balance in such account shall be included in balance-sheet account No. 778, "Other unadjusted credits."

CASE 12.

Query. In what account shall be included the cost of coal, wood, and oil for use in firing up locomotives for service?

Answer. In the appropriate account "Fuel for locomotives."

CASE 13.

Query. To what account shall a carrier credit amounts received for the privilege of placing a telephone line over its tracks? The right is reserved to revoke the privilege at pleasure.

Answer. The privilege given is merely a license, and the receipts therefrom shall be credited to income account No. 519, "Miscellaneous income."

CASE 14.

Query. To what accounts shall be credited amounts charged to other roads for transferring the lading of cars? These transfers are made necessary through fault of the other roads, and the charges include the cost of transferring the lading, per diem or car hire accruing upon the cars, and a charge per car for switching.

Answer. The portions of such charges covering per diem or car hire accruing on cars at the time of transfer shall be credited to the account "Hire of freight cars." The portions of the charges covering the cost of transferring the contents of cars shall be credited to the account to which the cost of the transfer service is charged. The charges per car for switching such cars shall be credited to revenue account No. 110, "Switching."

CASE 15.

Query. A railroad operates some of its station restaurants and leases others at a nominal rent, the lessee receiving all revenues and paying all expenses except as to coal and ice, which are furnished without charge by the railroad. To what account shall the railroad charge the cost of the coal and the ice thus furnished for use in the leased restaurants?

Answer. Such cost shall be charged to operating expense account No. 376, "Station supplies and expenses."

CASE 16.

Query. A railroad purchased a building, apart from its right of way, for use as a dwelling by a superintendent, taking the title thereto in the name of a vice president, who filed with the railroad a declaration of trust. How shall this expenditure be classified?

Answer. Such expenditure shall be included in balance-sheet account No. 705, "Miscellaneous physical property."

CASE 17.

Query. What accounts shall be charged with the loss on obsolete material which is taken out of stock and sold as scrap?

Answer. Such loss shall be charged to the operating expense accounts to which the material ordinarily would be charged if issued for use.

CASE 18.

Query. Road A and Road B operate their trains over a portion of A's tracks. A charges B rent based on the valuation of the property. B maintains and operates these tracks and is reimbursed by A for a portion of the expenses, reckoned upon a wheelage basis. What is the correct accounting?

Answer. Both roads shall include the rent in joint facility rent accounts in Income. The cost of maintenance and operation shall be included in B's primary accounts; the proportion of such cost paid by A shall be included by both roads in the appropriate joint facility expense accounts. (See Case 28.)

CASE 19.

Query. To what account shall be charged expenses and settlement payments on account of injuries to a prospective passenger caused by a maintenance-of-way work train?

Answer. The class of train causing the injury determines the distribution of the charge. Therefore such expenses and settlements shall be charged to maintenance expense account No. 274, "Injuries to persons." (See Case 119.)

CASE 20.

Query. Road A makes all repairs to Road B's equipment and charges B the actual cost thereof. For the purpose of determining accurately the cost of these repairs is it permissible that the operations of A's shops be treated through a clearing account?

Answer. It is.

CASE 21.

Query. How shall a carrier dispose of amounts allowed for loyal service of certain employees during a strike?

Answer. Such allowances shall be distributed to the accounts to which the pay of the employees is chargeable.

CASE 22.

Query. In what accounts shall be included the pay and expenses of—

(a) An auditor who acts as general bookkeeper?

(b) A general superintendent who is immediately responsible for the whole local management of the road?

(c) A general agent who acts as clerk to the general superintendent and as local agent at the only station where there is an agent?

Answer. Such expenses shall be included as follows:

(a) Expense account No. 451, "Salaries and expenses of general officers."

(b) Shall be apportioned as directed in Note A under account No. 371, "Superintendence."

(c) The proportion covering services as clerk shall be apportioned in accordance with Note A under account No. 371, "Superintendence," and the remainder shall be included in account No. 373, "Station employees."

CASE 23.

Query. The tracks, station buildings, and other facilities between X and Y, owned by Road A, are used jointly by A and Road B. For the use of these facilities B pays A a specified rent upon a valuation basis, proportion of cost of maintenance upon a wheelage basis, and agreed proportion of the cost of station service (principally train telegraph service).

B's trains handle A's local freight and passenger business between these points in consideration of a stipulated percentage of revenue. What is the correct accounting by each railroad?

Answer. The specified rent shall be included in the joint facility rent accounts in Income. Proportion of cost of maintenance and operation shall be included in the appropriate joint facility operating expense accounts.

The proportion of the cost of maintaining and operating these tracks being provided for in a distinct arrangement, the percentage of revenue upon the local business retained by A shall be considered as additional rent and included by each carrier in the appropriate joint facility accounts in Income.

Road B shall include in its revenues the entire receipts from the local freight and passenger traffic between X and Y which is transported upon its trains and shall account for such traffic in its statistics.

CASE 24.

Query. How shall the revenues be classified when a carrier furnishes picnic trains at rates based on the number of cars in the trains, regardless of the number of people carried?

Answer. They shall be included in account No. 111, "Special service train."

CASE 25.

Query. To what account shall be credited the slight profits accruing from percentages added to bills against other companies and individuals to cover superintendence, use of tools, etc.?

Answer. Such profits shall be credited to Operating Expenses. (See Cases 61 and 79.)

CASE 26.

Query. Shall per diem reclaims be treated as a matter of hire of equipment?

Answer. They shall be so treated. (See Case 29.)

CASE 27.

Query. To what account shall be credited the amounts received upon the basis of a rate per car for switching express cars from one railroad to another as a part of a regular transportation movement?

Answer. Amounts received for such services shall be credited to revenue account No. 110, "Switching."

CASE 28.

Query. Road B has trackage rights over the line of Road A between two points, the consideration for these rights being based on a toll per loaded car. How shall the payments for these trackage rights be accounted for when A maintains the tracks between the two points?

Answer. Road A shall charge the expenses of maintenance, operation, etc., to its primary operating expense accounts. The charges against B shall be fairly apportioned by A among the joint facility operating expense and income accounts. The amount apportioned to maintenance shall be credited by A to account No. 279, "Maintaining joint tracks, yards, and other facilities—Cr."; that to operation, to account No. 391, "Operating joint yards and terminals—Cr.", or to account No. 413, "Operating joint tracks and facilities—Cr.", according to location of facilities; and that to income for interest on valuation or rent, to account No. 508, "Joint facility rent income." Road B shall charge the corresponding joint facility operating expense and income accounts.

In case considerable general expenses are involved in operations of the joint facilities, amounts shall be apportioned to cover such general expenses, which amounts shall be included in accounts "General joint facilities."

CASE 29.

Query. How shall per diem charges paid and reclaims received be accounted for by a switching railroad whose cars seldom leave its own line?

Answer. The per diem shall be charged and the reclaims shall be credited to income account "Hire of freight cars." (See Case 26.)

CASE 30.

Query. A railroad company sends out a locomotive and crew to pick up lumber lost off a freight train belonging to another company. To what account shall the wages of the crew and the compensation for the use of the locomotive be charged, and to what accounts credited?

Answer. The wages of the crew and expenses of the locomotive shall be charged by the company responsible for the loss of the lumber to expense account No. 418, "Loss and damage—Freight," and the creditor shall credit these items to the accounts to which they were originally charged. If a charge is made for rent of the locomotive, the amount thereof shall be included by both companies in the appropriate locomotive rent account in Income.

CASE 31.

Query. Road A pays all the expenses of a train service operated from an intermediate point on its lines to an intermediate point on Road B's line and charges B upon basis of train mileage the cost of the service while upon B's tracks. Each road receives the revenue accruing upon its own line. What is the proper accounting for the expense of the service?

Answer. The expenses shall be included by each railroad in the primary expense accounts other than joint facility accounts. This is not a joint facility. If any portion of the charge for the train service is for hire of equipment, the amount thereof shall be included in the appropriate equipment rent accounts in Income.

CASE 32.

Query. It is provided in account No. 418, "Loss and damage—Freight," that interest and penalties assessed for nonpayment of freight claims shall be included in this account. Is this provision intended to include interest and penalties on overcharge claims?

Answer. Interest and penalties on loss and damage claims shall be included in account No. 418, "Loss and damage—Freight." Interest on overcharge claims shall be included in account No. 547, "Interest on unfunded debt." Penalties on overcharge claims shall be included in account No. 460, "Other expenses."

CASE 33.

Query. In what account shall be included the rents paid by one carrier to another carrier for the exclusive use of yards and tracks—

(a) When upon the basis of a specified amount per month?

(b) When upon the basis of the number of cars handled over such tracks?

All expenses of maintenance are paid by the lessee. The taxes are paid by the lessor.

Answer. The rents, under either of the conditions stated, shall be included in the lease-of-road accounts in Income.

CASE 34.

Query. A company keeps a separate or independent fund from which pensions are disbursed. A certain amount per month, making an annual total 12 times as great, is appropriated through the Income Account and credited directly to an open account, which is closed annually when the amount is paid over. The pension fund is invested in interest-bearing securities. Whenever pensions are paid the amounts are debited to an open account and about every quarter collected from the trustee of the fund. There are no administration or other expenses in connection therewith. What is the proper accounting?

Answer. Amounts thus appropriated shall be charged to account No. 552, "Income applied to sinking and other reserve funds," and shall be concurrently credited to account No. 782, "Miscellaneous fund reserves." When such funds have been paid into the hands of trustees, the amount thereof shall be charged to balance-sheet account No. 721, "Insurance and other funds." The amount of pensions accrued shall be charged to account No. 457, "Pensions," and when paid shall be credited to account No. 721, "Insurance and other funds." Concurrently account No. 782, "Miscellaneous fund reserves," shall be charged, and Profit and Loss credited with an equal amount.

CASE 35.

Query. To what account shall be credited the difference between the value of special-admission amusement coupons issued in connection with transportation and the amount paid on the basis of actual collection?

Answer. The difference shall be credited to revenue account No. 143, "Miscellaneous."

CASE 36.

Query. To what account shall be charged the expense of removal of brasses from cars to prevent the loss of the brasses by theft when the cars are stored in hazardous locations?

Answer. Such expense shall be charged to the appropriate car repair account.

CASE 37.

Query. To what account shall be charged the amount of a judgment, including court costs, in an action of the United States against a carrier on account of defective appliances on cars?

Answer. It shall be charged to profit and loss account No. 621, "Miscellaneous debits." (See Cases 38 and 90.)

CASE 38.

Query. What account shall be charged with United States Government fines imposed by the collector of customs for the delivery of freight in bond directly to the consignee, instead of to the collector of the port, the offense being due to the failure of the delivery clerk at a freight yard to notify the customhouse inspector at the point of delivery?

Answer. They shall be charged to profit and loss account No. 621, "Miscellaneous debits." (See Cases 37 and 90.)

CASE 39.

Query. To what account shall be charged premiums paid to procure currency needed to pay the wages of employees?

Answer. They shall be charged to expense account No. 460, "Other expenses."

CASE 40.

Query. Two box cars which were carried in the carrier's account at the salvage value only are condemned, the bodies taken for use as bunk houses for track laborers, and the trucks put into service for wrecking purposes. What is the correct accounting?

Answer. Assuming that the equipment had been regularly written down to the amount of the salvage value, this amount shall be credited to road and equipment account No. 53, "Freight-train cars"; the proportion of this value represented by the salvage contained in the bodies of the cars, together with the cost of fitting up bodies as bunk houses, shall be charged to road and equipment account No. 17, "Roadway buildings." If the houses are used by laborers engaged in construction work, their cost shall be included in the accounts in which also is included the labor of the men who use them, and when such work is completed the accounts thus charged shall be credited with the depreciated value of the bunk houses.

The value of the salvage in the trucks shall be charged to the appropriate material account.

CASE 41.

Query. Road A has a drawbridge over a bayou, for the operation of which it employs bridgemen, the expense being prorated among four railroads. How shall amounts received by A be credited?

Answer. If the bridge is in a yard, credit expense account No. 391, "Operating joint yards and terminals—Cr."; if on road, credit expense account No. 413, "Operating joint tracks and facilities—Cr."

CASE 42.

Query. A carrier has an arrangement with other carriers whereby, for trackage rights within a certain district on its line, it receives as compensation a fixed allowance per car. This allowance is apportioned to joint maintenance, operating, and income accounts, the division being based upon estimates and available statistics for previous years.

What account shall be credited for an amount billed against one of these tenants for an accident damaging the carrier's tracks and some of the equipment of other carriers resting upon those tracks, and also an amount paid to one of the carrier's employees in settlement of a personal injury claim occasioned by such accident, the understanding being that the railroad causing the accident shall pay the expenses incident thereto, in addition to the amount it pays for trackage?

Answer. The carrier incurring the expenses, which under the contract belong solely to another carrier, shall, so far as practicable, charge the amounts of such expenses directly to account No. 715, "Miscellaneous accounts receivable," and credit pay roll, voucher, or material accounts, as the case may be.

The carrier responsible shall charge the expenses to its primary operating expense accounts other than joint facility accounts. (See Cases 63, 66, and 132.)

CASE 43.

Query. To what accounts shall interest paid on material bills be charged and cash and trade discounts be credited?

Answer. Interest shall be included in Income. All discount realized on bills for material purchased shall be credited to the account to which is charged the original invoice.

CASE 44.

Query. Amounts paid by Road A for hire of equipment used in joint-yard operations are prorated among three tenant lines upon basis of number of cars handled for each. How shall the payments and receipts be included in A's accounts?

Answer. They shall be included in the appropriate equipment rent accounts in Income.

CASE 45.

Query. Road A distributes the amount charged Road B upon a lump-sum basis for the joint use by B of A's terminal, as follows:

	Per cent.
"Maintaining joint tracks, yards, and other facilities—Cr."	10
"Operating joint yards and terminals—Cr."	25
"Joint facility rent income"	65

Is it proper to apportion any part of such charges to rent?

Answer. If A owns the property operated jointly, the amount in excess of the proportionate expense of maintenance and operation shall be included by each railroad in the joint facility rent accounts in Income.

CASE 46.

Query. Road B uses Road A's tracks between two points, paying therefor a rent based upon valuation and also a proportion of maintenance and operating expenses based upon wheelage.

- (a) A pays B a per cent of the value of A's tickets honored on B's trains.
- (b) B pays A a per cent of cash fares on B's trains between the two points.
- (c) B pays A full local rate on tickets sold by B honored on A's trains.

How shall each road take the above items into its accounts?

Answer. The accounting shall be as follows:

(a) B shall credit full value of tickets to revenue account No. 102, "Passenger." The amount of this revenue less the amount paid by A to B shall be charged by B to income account No. 541, "Joint facility rents," and shall be credited by A to income account No. 508, "Joint facility rent income."

(b) B shall charge amount paid and A shall credit amount received to joint facility rent account in Income.

(c) A shall credit and B shall charge the full value of the tickets to revenue account No. 102, "Passenger."

CASE 47.

Query. To what account shall be credited the amount received by a carrier for the surrender of an unexpired lease for offices occupied by it?

Answer. It shall be credited to profit and loss account No. 607, "Miscellaneous credits."

CASE 48.

Query. Owing to certain freight yards of a carrier becoming congested it is found necessary to deliver cars at another point temporarily. The delivery involves special movements a distance of 1 to 3 miles. Shall the movements be included with freight-train miles or considered switching or yard movements of which no wheelage report would be made other than for the locomotive?

Answer. Mileage shall be considered merely as of switching or yard movements.

CASE 49.

Query. A lumber company's log train uses a carrier's line between its logging camp and mill. The equipment is owned by the lumber company and is operated by its employees, although, while on the carrier's line, the trains are under orders of the carrier's dispatcher. The carrier is compensated on a mileage basis. Shall this mileage be included in the carrier's statistics?

Answer. It shall not be so included.

CASE 50.

Query. May the distribution of the cost of fuel, stores, and other supplies for yard locomotives and for work-train service, be made upon the basis of the mileage of yard and work locomotives for the month preceding that in which the expense is incurred?

Answer. The distribution of each month's operating expenses shall be based upon the operation for that month.

CASE 51.

Query. On account of Road A owning no equipment, Road B supplies the necessary equipment and maintains and operates A's road. B charges A the cost of maintenance and operation, with exception of the maintenance of equipment and the cost of engine and train service. B receives all revenues and pays A agreed proportions of the revenues upon through traffic only. What is the correct accounting?

Answer. All revenue and expenses incident to the operation of A's road shall be included in B's accounts. All mileage statistics, including passenger, ton, train, car, locomotive, etc., shall be included in B's records and reports. The difference between the proportion of the revenue due to A and the proportion of operating expenses payable by A to B constitutes A's compensation for the use of its road and shall be charged by B to income account No. 542, "Rent for leased roads."

In case the result is a loss to A, the amount of the deficit shall be credited by B to account No. 542, "Rent for leased roads," and charged by A to account No. 509, "Income from lease of road." B shall include the cost of maintenance and operation in its primary operating expense accounts.

CASE 52.

Query. Road A operates its yard for the joint benefit of its own service and that of Road B. In an enginehouse at this point A's train locomotives, B's train locomotives, and the locomotives used in operating the joint yard are prepared. What is the correct accounting for the expense of preparing these locomotives in this enginehouse?

Answer. The expense of preparing the joint-yard locomotives shall be included by A in account No. 388, "Enginehouse expenses—Yard," and the amount of such expense chargeable to B shall be credited by A and charged by B to the appropriate account "Operating joint yards and terminals." A has the option of clearing the cost of preparing B's train locomotives through account No. 400, "Enginehouse expenses—Train," or of crediting the amount of such cost to its payroll and material accounts. A shall charge the cost of preparing its train locomotives to account No. 400, "Enginehouse expenses—Train," and B shall include in the same account the cost of preparing its train locomotives.

CASE 53.

Query. Road A cleans Road B's cars and supplies them with oil and gas for lighting, and with water, ice, and coal, and with oil and waste for lubrication, upon the basis of the actual cost of the labor and supplies. What is the proper accounting by each company for these expenses?

Answer. A shall distribute these expenses from its labor and material accounts directly against B. B shall charge its proportion of the expenses to the appropriate operating expense primary accounts other than joint facility accounts. (See Case 161.)

CASE 54.

Query. Road A operates one of its yards for the joint benefit of its own service and that of Road B. Each road furnishes its own coal, delivered in cars at this yard. The coal used by the locomotives at this point is handled through the coal bins owned by Road A, separate bins being provided for the coal used upon B's locomotives. The cost of operating this fuel station is apportioned by A between its own train service, B's train service, and the service of the joint yard (which is operated by A) upon the basis of quantity of coal supplied. The proportion charged to the joint yard is divided between the two railroads upon the basis used for division of other joint-yard expenses. How shall these fuel station expenses be treated in the accounts of the two companies?

Answer. A shall include the entire cost of the operation of the fuel station in an appropriate clearing account and shall clear such expenses through the following charges. The proportion of the cost of handling fuel for B's train locomotives shall be charged directly to B. The proportion of the cost of handling fuel assignable to A's train locomotive service shall be charged by A to account No. 394, "Fuel for train locomotives." The proportion of the cost of handling the fuel assignable to the joint-yard service shall be charged by A to account No. 382, "Fuel for yard locomotives." B shall charge the cost of handling the fuel for its train locomotives to account No. 394, "Fuel for train locomotives." A shall credit and B shall charge the appropriate accounts for operating joint yards and terminals, with B's proportion of the cost of handling the fuel used in the joint-yard service.

CASE 55.

Query. The contract between Road B and Road A under which B uses the terminals of A at Y provides for the furnishing from A's storehouse of certain materials and supplies (including materials and supplies for locomotive and train use) for use in the operation of B's line south of Y. A's storehouse is not included in the schedule as a joint structure. How shall the charges covering the materials and supplies be treated in the accounts?

Answer. The amounts charged B for materials and supplies shall be credited by A to the material and supplies account and charged by B to the appropriate primary expense accounts other than joint facility accounts.

CASE 56.

Query. A carrier operates two freight houses at a terminal and furnishes all the facilities and labor for handling merchandise shipments for tenant lines. It charges them for this service a rate per ton. To what account shall be credited the amounts collected?

Answer. The portion of the charges representing maintenance and operation shall be credited to the appropriate joint facility accounts in Operating Expenses; that portion representing payments for the use of capital and for taxes shall be credited to income account No. 508, "Joint facility rent income." (See Case 28.)

CASE 57.

Query. When is a road under construction required to commence keeping accounts for operating revenues and operating expenses?

Answer. Accounts of operating revenues and operating expenses shall be kept as soon as the road begins the operation of transportation service trains.

CASE 58.

Query. A carrier participates in the operation of a through dining-car line, the equipment of which is owned by another carrier. How shall its proportion of loss be handled?

Answer. Each carrier shall include its proportion of the revenues in account No. 131, "Dining and buffet," and its proportion of the expenses in the appropriate operating expense primary accounts other than joint facility accounts. The operating carrier shall credit the rents of equipment to account No. 505, "Rent from passenger-train cars," and the participating carrier shall charge them to account No. 538, "Rent for passenger-train cars."

CASE 59.

Query. In 1906 a carrier acquired and charged to equipment account a box car costing \$640. This car was destroyed in 1910 upon a foreign line. The trucks were repaired and returned. The value of these trucks was \$175. The carrier rendered bill against the foreign line for \$344, this being the value under Master Car Builders' Association rules of the body of the car at the time it was destroyed. The carrier had charged \$60 to Operating Expenses and credited the same amount to balance-sheet account No. 776, "Accrued depreciation—Equipment," to cover depreciation of the car from July 1, 1907, to the date of its retirement. The depreciation accruing previous to July 1, 1907, amounted to \$20. What entries are necessary for a proper accounting for the retirement of this car?

Answer. The text of road and equipment general account II, Equipment, quite fully describes the proper accounting for equipment retired. The following statement of this particular case, in journal entry form, may prove an additional aid in determining the correct accounting:

No. 776, "Accrued depreciation—Equipment" (an amount equal to the amount previously credited thereto with respect to this car).....	\$60
No. 715, "Miscellaneous accounts receivable" (amount charged foreign line).....	344
No. 716, "Material and supplies" (value of trucks).....	175
No. 619, "Loss on retired road and equipment" (depreciation to July 1, 1907).....	20
No. 316, "Freight-train cars—Retirements".....	41
No. 53, "Freight-train cars" (cost of car).....	\$640

CASE 60.

Query. To what account shall be charged the cost of options upon lands for terminals and approaches of a bridge, the plans for construction of which were postponed?

Answer. The amount paid for options on property which it was proposed to use in the construction of terminal and bridge-approach improvements shall be carried in a suspense account until the proper disposition has been finally determined. If, later, the plan is definitely abandoned, and the amount expended is lost, the loss sustained shall be charged to Profit and Loss.

CASE 61.

Query. To what account shall freight charges over the line owning tracks be credited when they are added to the cost of maintenance material charged against joint users of the tracks?

To what account shall be credited percentage added to joint-track bills for superintendence and store expenses?

Answer. Amounts included in joint facility bills representing freight charges shall be credited to revenue account No. 101, "Freight," and amounts representing superintendence and store expenses shall be credited by the operating company to Operating Expenses.

ating Expenses through the joint facility accounts. It is not intended that minor profits from percentages added to such bills shall be credited to the revenue accounts. (See Cases 25 and 79.)

CASE 62.

Query. A bridge was damaged by a wreck. Although it was possible to repair the bridge where it stood, the railroad management considered it economy to remove the bridge to the shops for repairs. Pending the repairs, a temporary pile structure was installed. To what account shall the cost of the temporary bridge be charged?

Answer. The cost (less salvage) of the temporary bridge shall be charged to expense account No. 208, "Bridges, trestles, and culverts."

CASE 63.

Query. Road B is responsible for the damage done by one of its locomotives to Road A's interlocking plant. This plant is a joint facility of the two railroads. In what account shall B include the expense of repairs?

Answer. The expense of such repairs shall be included in expense account No. 416, "Damage to property."

CASE 64.

Query. To what account shall be charged the pay of timekeepers engaged in construction work, and the cost of tents, bunks, and materials used by them?

Answer. Such expenditures shall be distributed to the cost of the specific work to which the timekeepers are assigned.

CASE 65.

Query. Two houses on carrier's right of way are occupied by roadway employees, rent free. Is it proper to credit an amount representing a fair rent for the houses to revenue account No. 142, "Rents of buildings and other property," and debit the repairs to expense account No. 229, "Roadway buildings"?

Answer. It is not intended that amounts which do not represent revenue actually earned shall be credited to the revenue accounts; neither is it intended that amounts which do not represent actual expenses shall be charged to the expense accounts. No credit shall be made to the revenue accounts for rent of houses on right of way occupied by employees, rent free. The cost of repairing the houses is a proper charge to expense account No. 229, "Roadway buildings."

CASE 66.

Query. Shall the distribution of extraordinary expenses for injuries to persons and damage to property, the result of casualties in connection with the operation of joint facilities, be made through the joint facility accounts or through the other primary accounts?

Answer. All such expenses incurred in the operation of joint facilities, in which the parties to the contracts for such operation jointly participate, shall be handled through the appropriate joint facility accounts. (See Cases 42 and 132.)

CASE 67.

Query. To what accounts shall bills be distributed when rendered against other companies for their proportions of wages of crossing flagmen stationed where there are no towers or gates?

Answer. If the crossing flagmen are employed at road crossings where the tracks of two or more companies are parallel and there are no tracks used jointly, the proportions billed against other companies shall be credited by the billing road to expense account No. 405, "Crossing protection," and taken up in the same account by the paying road. If, on the contrary, the flagmen are located at street or road crossings in

CASE 58.

Query. A carrier participates in the operation of a through dining-car line, the equipment of which is owned by another carrier. How shall its proportion of loss be handled?

Answer. Each carrier shall include its proportion of the revenues in account No. 131, "Dining and buffet," and its proportion of the expenses in the appropriate operating expense primary accounts other than joint facility accounts. The operating carrier shall credit the rents of equipment to account No. 505, "Rent from passenger-train cars," and the participating carrier shall charge them to account No. 538, "Rent for passenger-train cars."

CASE 59.

Query. In 1906 a carrier acquired and charged to equipment account a box car costing \$640. This car was destroyed in 1910 upon a foreign line. The trucks were repaired and returned. The value of these trucks was \$175. The carrier rendered bill against the foreign line for \$344, this being the value under Master Car Builders' Association rules of the body of the car at the time it was destroyed. The carrier had charged \$60 to Operating Expenses and credited the same amount to balance-sheet account No. 776, "Accrued depreciation—Equipment," to cover depreciation of the car from July 1, 1907, to the date of its retirement. The depreciation accruing previous to July 1, 1907, amounted to \$20. What entries are necessary for a proper accounting for the retirement of this car?

Answer. The text of road and equipment general account II, Equipment, quite fully describes the proper accounting for equipment retired. The following statement of this particular case, in journal entry form, may prove an additional aid in determining the correct accounting:

No. 776, "Accrued depreciation—Equipment" (an amount equal to the amount previously credited thereto with respect to this car).....	\$60
No. 715, "Miscellaneous accounts receivable" (amount charged foreign line).....	344
No. 716, "Material and supplies" (value of trucks).....	175
No. 619, "Loss on retired road and equipment" (depreciation to July 1, 1907).....	20
No. 316, "Freight-train cars—Retirements".....	41
No. 53, "Freight-train cars" (cost of car).....	\$640

CASE 60.

Query. To what account shall be charged the cost of options upon lands for terminals and approaches of a bridge, the plans for construction of which were postponed?

Answer. The amount paid for options on property which it was proposed to use in the construction of terminal and bridge-approach improvements shall be carried in a suspense account until the proper disposition has been finally determined. If, later, the plan is definitely abandoned, and the amount expended is lost, the loss sustained shall be charged to Profit and Loss.

CASE 61.

Query. To what account shall freight charges over the line owning tracks be credited when they are added to the cost of maintenance material charged against joint users of the tracks?

To what account shall be credited percentage added to joint-track bills for superintendence and store expenses?

Answer. Amounts included in joint facility bills representing freight charges shall be credited to revenue account No. 101, "Freight," and amounts representing superintendence and store expenses shall be credited by the operating company to Oper-

ating Expenses through the joint facility accounts. It is not intended that minor profits from percentages added to such bills shall be credited to the revenue accounts. (See Cases 25 and 79.)

CASE 62.

Query. A bridge was damaged by a wreck. Although it was possible to repair the bridge where it stood, the railroad management considered it economy to remove the bridge to the shops for repairs. Pending the repairs, a temporary pile structure was installed. To what account shall the cost of the temporary bridge be charged?

Answer. The cost (less salvage) of the temporary bridge shall be charged to expense account No. 208, "Bridges, trestles, and culverts."

CASE 63.

Query. Road B is responsible for the damage done by one of its locomotives to Road A's interlocking plant. This plant is a joint facility of the two railroads. In what account shall B include the expense of repairs?

Answer. The expense of such repairs shall be included in expense account No. 416, "Damage to property."

CASE 64.

Query. To what account shall be charged the pay of timekeepers engaged in construction work, and the cost of tents, bunks, and materials used by them?

Answer. Such expenditures shall be distributed to the cost of the specific work to which the timekeepers are assigned.

CASE 65.

Query. Two houses on carrier's right of way are occupied by roadway employees, rent free. Is it proper to credit an amount representing a fair rent for the houses to revenue account No. 142, "Rents of buildings and other property," and debit the repairs to expense account No. 229, "Roadway buildings"?

Answer. It is not intended that amounts which do not represent revenue actually earned shall be credited to the revenue accounts; neither is it intended that amounts which do not represent actual expenses shall be charged to the expense accounts. No credit shall be made to the revenue accounts for rent of houses on right of way occupied by employees, rent free. The cost of repairing the houses is a proper charge to expense account No. 229, "Roadway buildings."

CASE 66.

Query. Shall the distribution of extraordinary expenses for injuries to persons and damage to property, the result of casualties in connection with the operation of joint facilities, be made through the joint facility accounts or through the other primary accounts?

Answer. All such expenses incurred in the operation of joint facilities, in which the parties to the contracts for such operation jointly participate, shall be handled through the appropriate joint facility accounts. (See Cases 42 and 132.)

CASE 67.

Query. To what accounts shall bills be distributed when rendered against other companies for their proportions of wages of crossing flagmen stationed where there are no towers or gates?

Answer. If the crossing flagmen are employed at road crossings where the tracks of two or more companies are parallel and there are no tracks used jointly, the proportions billed against other companies shall be credited by the billing road to expense account No. 405, "Crossing protection," and taken up in the same account by the paying road. If, on the contrary, the flagmen are located at street or road crossings in joint

nals," and if on joint tracks outside of yards, in the account "Operating joint tracks and facilities."

CASE 68.

Query. Road B runs its trains for a distance over Road A's tracks, paying a fixed rent per year for the privilege. These trains are operated by B's crews. Which road shall report the train-miles of B's trains while on A's tracks?

Answer. B shall include in its statistics the train-miles, car-miles, etc., for its trains operated on A's tracks.

CASE 69.

Query. In April, 1902, a carrier completed a spur track, the cost of which was charged to Operating Expenses. The larger part of the material used was second-hand. In December, 1908, the track was taken up and not replaced. In view of the fact that the cost of the track was included in operating expenses, shall not the salvage, if any, be charged to a material account and surplus credited with a similar amount?

Answer. The salvage shall be charged to a material account and Profit and Loss credited with a similar amount. Expenses incident to the retirement of the track shall be charged to Profit and Loss.

CASE 70.

Query. To what account shall a railroad credit rent received from a telephone company for joint use of its trolley poles?

Answer. Such rent shall be included in revenue account No. 142, "Rents of buildings and other property."

CASE 71.

Query. To what accounts shall a carrier credit the value of scrap which recently has been gathered and sold, and charge the cost of gathering same for sale? This scrap has been scattered along the road for years, and it is now impossible to say to what equipment or structures it originally belonged. It has never been carried in any material account.

Answer. The receipts from the sale of this scrap, less the cost of assorting it, shall be credited to material accounts and cleared from these accounts to Operating Expenses. The cost of gathering the scrap shall be charged to expense account No. 202, "Roadway maintenance."

CASE 72.

Query. At various terminals on a section of Road A's line, which is jointly operated with Road B, switching locomotives are furnished by B. How shall the compensation for the use of these locomotives, which includes rent and the cost of repairs, be accounted for?

Answer. The proportion of compensation which covers the cost of repairs to and depreciation of the locomotives shall be cleared through accounts "Maintaining joint equipment at terminals." The remainder, representing return on capital invested in the locomotives, shall be credited by B and charged by A to the appropriate locomotive rent accounts in Income.

CASE 73.

Query. Road A loans a locomotive and three coaches to Road B for excursion service, and charges B for trackage and wages of employees delivering the equipment. How shall these charges be treated?

Answer. The charge for trackage shall be credited to account No. 143, "Miscellaneous." The charge for wages of employees shall be credited to the pay roll account to which the wages of employees have been charged. The carrier has the option of clearing the wages through the appropriate operating expense accounts. (See Case 174.)

CASE 74.

Query. May the adjustment of material accounts to the basis of inventories be deferred to a period subsequent to the year in which the inventories are taken?

Answer. Such adjustments shall be made in the accounts of the year in which the inventories are taken. (See Case 2.)

CASE 75.

Query. A company handles logs and ores extensively and to get this freight is obliged to build temporary tracks into the woods and to the mines. Is it permissible, instead of charging the entire cost of these tracks to the road and equipment accounts, to charge the material, such as rails, angle bars, and switches, to these accounts, and to include in Operating Expenses the cost of the ties, bolts, and grading? In this way the irrecoverable portion of these tracks is disposed of during the time revenue from them is being received and not after the revenue is all in.

Answer. The entire first cost of the sidings and spur tracks shall be charged to the road and equipment accounts. The classifications permit the carrier to include the depreciation upon these tracks in operating expenses during the period they are in use.

CASE 76.

Query. How may a carrier make adjustment of the differences, due to insufficient charges for depreciation, between the value of equipment as carried in its property account and the actual value of the equipment as ascertained by an inventory appraisal?

Answer. If a carrier's equipment accounts prior to July 1, 1907 (the effective date of the depreciation accounts in Operating Expenses) show insufficient charges for depreciation, and a carrier elects to make an adjustment so that the property account Equipment shall in fact reflect the cost of equipment in service and the depreciation accounts reflect the full amount of depreciation accrued on such equipment from the beginning of its life, such adjustment for depreciation prior to July 1, 1907, shall be made through Profit and Loss.

Advice as to the proper disposition of differences due to insufficient charges for depreciation after July 1, 1907, will be given by the Commission upon receipt of particulars of such discrepancies.

CASE 77.

Query. Road B, as agent for Road A, furnishes the necessary equipment and operates passenger trains a distance over Road A's tracks. A pays B a rate per train-mile for the service and receives all local revenue and proportion of revenue for through traffic in trains while on these tracks. What is the proper accounting for these revenues and expenses?

Answer. Road A shall credit the revenue of the trains to the primary revenue accounts under Transportation and shall report all passenger and mileage statistics of the trains.

The amount paid for the train service shall be divided, upon a basis agreed to between the two roads, into two parts; one part, representing the rent of the equipment, shall be included by each road in the appropriate equipment rent accounts in Income, the other part, representing the expenses of operation, shall be charged by A under general accounts Maintenance of Equipment and Transportation to the primary accounts other than joint facility accounts, and shall be credited by B to the same accounts.

CASE 78.

Query. A railroad is constructed at a cost equal to the amount realized from the proceeds of a bond issue. Capital stock is issued gratuitously to stockholders. What entries shall be made in the balance sheet accounts on account of the issue of this stock?

Answer. The par value of the stock issued shall be credited to account No. 751, "Capital stock," and shall be debited to accounts covering discount and premium on capital stock. The cost of road and equipment as stated in the property investment accounts shall be their actual net cost in cash.

CASE 79.

Query. A carrier realized a profit of \$2,000 in one month upon coal which it furnished, under a temporary arrangement, to another carrier. If this profit is credited as provided in Case 25, it will unduly distort its operating expenses. In what account shall the profit be included?

Answer. Case 25 has reference to small profits arising from work done or supplies furnished under conditions which make it difficult to separate costs and profits.

In the case mentioned, the profit arising shall be credited to revenue account No. 143, "Miscellaneous." In arriving at the profit, proper allowance shall be made to cover transportation charges. (*See Cases 25 and 61.*)

CASE 80.

Query. A road sells notes because the money market does not warrant the sale of bonds, which are deposited as collateral for the notes. Is it permissible to spread the discount on the notes over the life of the bonds, treating the sale and retirement of both notes and bonds as one transaction?

Answer. The sale and retirement of the notes shall be separately accounted for, and the discount suffered shall be treated as provided in account No. 547, "Interest on unfunded debt," if the notes are for a term not exceeding one year. If for a longer term, the discount shall be included in account No. 725, "Discount on funded debt" and extinguished during the life of the notes.

CASE 81.

Query. To what account shall be charged a contribution to cover the deficit of a "Chautauqua"? This contribution was guaranteed for the purpose of securing traffic.

Answer. The amount shall be charged to account No. 353, "Advertising."

CASE 82.

Query. A bridge company owns, maintains, operates, and pays the taxes upon a bridge over which a single railroad, in consideration of a fixed annual rent, enjoys the right to operate its trains. In what accounts shall this rent be included?

Answer. The bridge company shall credit the rent to income account No. 509, "Income from lease of road"; shall charge the cost of maintaining and operating the bridge to the same account; and shall charge the taxes to account No. 532, "Railway tax accruals."

The railroad shall charge the proportion of the rent representing the expenses of maintenance and operation to the appropriate operating expense primary accounts, and the remainder to income account No. 542, "Rent for leased roads." As this is the only railroad operating trains over the bridge, it is not a joint facility.

CASE 83.

Query. County scrip, which will be accepted at face value in payment of taxes, is purchased at a discount. How shall it be carried in the balance sheet, and in what accounts shall the profit be included when the scrip is used?

Answer. The scrip shall be carried at cost. When it is used in the payment of taxes the profit shall be credited to profit and loss account No. 607, "Miscellaneous credits."

CASE 84.

Query. At certain points on the border freight-train cars are held by the custom-house authorities a considerable length of time. Is the per diem accrued during the detention of the cars chargeable to equipment rent account or to transportation expense account No. 411, "Other expenses"?

Answer. The per diem charges assessed in accordance with the per diem rules of the carrier shall be charged to income account "Hire of freight cars."

CASE 85.

Query. To what account shall be charged the expense of cleaning the exterior of sleeping and dining cars?

Answer. The cost of exterior cleaning of such cars shall be charged to expense account No. 402, "Train supplies and expenses."

CASE 86.

Query. Through error a duplicate refund was made of an overcharge, and the amount was determined to be irrecoverable. To what account shall be charged the duplicate refund?

Answer. The amount of the duplicate refund, when discovered, shall be credited to the account previously charged, and when found to be irrecoverable shall be charged to account No. 533, "Uncollectible railway revenues." This case shall not be construed to relieve the carrier from its responsibility for collecting and retaining the lawfully established charges.

CASE 87.

Query. To what account shall be credited amounts received from anonymous sources which are ordinarily designated as "Conscience money"?

Answer. Unless the remittances indicate that the payments are assignable to the revenue, expense, or income accounts, such payments shall be credited to account No. 607, "Miscellaneous credits."

CASE 88.

Query. To what account shall be charged witness fees in a suit for damages growing out of the false arrest of a person suspected of setting fire to a shop building of a carrier; also, to what account shall be charged the judgment, if any, secured in such a suit?

Answer. Both fees and judgment shall be charged to expense account No. 277, "Other expenses."

CASE 89.

Query. Recently a carrier's shops and some equipment were burned. After deducting insurance there remains a loss on both shops and equipment. Is it proper to charge the loss on the building to Profit and Loss?

Answer. The cost of the shops shall be credited to the appropriate road and equipment accounts. If it is intended to replace the burned property, its cost, less insurance and depreciation accrued, if any, and salvage recovered, shall be charged to the appropriate operating expense accounts. If the shops are not to be rebuilt, the cost, less insurance and depreciation accrued, if any, and salvage recovered, shall be charged to profit and loss account No. 619, "Loss on retired road and equipment." The loss on equipment shall be handled in accordance with the provisions in the text of road and equipment general account II, Equipment.

CASE 90.

Query. To what account shall be charged penalties paid to public authorities for violation of the 28-hour stock law?

Answer. They shall be charged to profit and loss account No. 621, "Miscellaneous debits." (See Cases 37 and 38.)

CASE 91.

Query. A carrier frequently pays charges for cleaning its ice houses. Shall the expense be charged to "Train supplies and expenses," or shall it be divided between that account and "Station employees"?

Answer. The cost of cleaning ice houses is considered a part of the cost of storing. It shall be added to the cost of the ice and, with the latter, apportioned to the accounts to which the ice is charged.

CASE 92.

Query. Railway A rents a portion of its tracks to Railway C at a flat rate per annum, the amount of which is credited to rent, maintenance, and operation. This track is a part of that operated jointly by A and B. Under the contract for the joint operation, B is entitled to its proportion of the amounts received by A from C. What is the proper distribution of the amount paid by A to B as its share of the amounts collected from C?

Answer. The amount paid by C to A shall be divided into two parts; one representing maintenance and operation; the other, rent. The first part shall be credited by A to its appropriate joint facility operating expense accounts and the other to the joint facility rent account under Income. The proportion of these credits which is allowed in settlement with B shall be deducted from B's proportion of the charge for rent, maintenance, and operation of the whole joint facility, and the remainder, which is collected from B, shall be credited by A to its appropriate joint facility operating expense accounts and joint facility rent account under Income.

CASE 93.

Query. There is a connecting line between the tracks of the A company and those of the B company, each company owning the one-half of the track next to its own line. The two companies alternate in performing the interchange switching over this track in periods of six months, rendering bills alternately for proportions of service performed. How shall the payments be charged and credited?

Answer. It is assumed that the bills for the service performed cover the cost of switching service only. The amounts of such charges shall be included in the appropriate operating expense primary accounts other than joint facility accounts. If the charges for hire of equipment are included in these bills, such charges shall be included by both companies in the appropriate equipment rent account in Income.

CASE 94.

Query. A carrier has a joint facility arrangement with another carrier which does not report to the Commission. Shall it handle through its joint facility accounts the amounts received for the use of these facilities?

Answer. It shall. Amounts received from a carrier, whether it reports to the Commission or not, for the joint use of property operated by a carrier reporting to the Commission, shall be divided by the operating carrier into two parts. One, representing the cost of maintenance and operation, shall be credited by the operating carrier to the joint facility expense accounts affected; the other shall be credited to income account No. 508, "Joint facility rent income." In case the facilities used jointly are of minor importance, and the amounts received for the use of them are small, the credits shall be to revenue account No. 142, "Rents of buildings and other property."

CASE 95.

Query. A terminal company has a contract with four railroads which jointly own its capital stock, under which it handles all freight and passenger business over its terminals for these companies. These railroads reimburse the terminal company for all expenses of operation, interest on the bonds, and other fixed charges of the terminal company and, in addition, pay a small percentage on first-mortgage bonds to be used as a sinking fund for retiring the bonds. How shall these various payments be treated in the terminal company's accounts?

Answer. The switching or terminal company shall include the expenses of operation in its primary expense accounts and shall credit the charges pertaining to the joint benefit service to the appropriate joint facility expense accounts. It shall include the interest on bonds, other fixed charges, and contributions to its sinking fund in income account No. 508, "Joint facility rent income."

CASE 96.

Query. A locomotive assigned to yard switching service is taken to the shops a number of miles distant for repairs and is relieved by a locomotive from the shops. To what account shall be charged the expense of running the relief locomotive from the shops to the point where it is to be put in service? How shall the mileage of the locomotives be classified?

Answer. The expenses shall be charged to the proper yard accounts under Transportation—Rail line. The mileage of the locomotives shall be classed as yard switching locomotive-miles.

CASE 97.

Query. A and B are 10 miles apart, and the freight destined to B passes through A. The freight trains are divided in the yard at A, and through freight destined to B is taken to B by a transfer crew. The line between A and B is a part of the carrier's main line. Shall the service of the transfer crew between these points be considered train service or yard service?

Answer. It shall be considered train service and the expenses and the statistics of train-miles, locomotive-miles, car-miles, etc., shall be treated accordingly. (See Case 7.)

CASE 98.

Query. To what account shall a carrier charge commissions paid to brokers for the purchase of the securities of other companies?

Answer. The amount of such commissions shall be considered as a part of the cost of the securities purchased.

CASE 99.

Query. A carrier obtains a franchise which permits it to operate with steam motive power within the limits of a city for a period of 20 years. To what account shall the cost of this franchise be charged?

Answer. The cost shall be included in a convenient suspense account under balance-sheet account No. 727, "Other unadjusted debits," and amortized during the life of the franchise through equal annual charges to income account No. 551, "Miscellaneous income charges."

CASE 100.

Query. In the construction of undergrade and overhead highway crossings a carrier purchases sufficient land for slopes outside of its right of way instead of building retaining walls. To what account shall the cost of this land be charged?

Answer. It shall be charged to road and equipment account No. 2, "Land for transportation purposes." (See Case 186.)

CASE 101.

Query. In connection with the construction of an extension to its line a carrier relocates a short section of an electric road's tracks for the purpose of avoiding grade crossings. To what account shall the cost of the work be charged?

Answer. It shall be charged to road and equipment account No. 2, "Land for transportation purposes."

CASE 102.

Query. A carrier sells to another carrier an undivided third interest in a part of its line. How shall the proceeds of the sale be credited?

Answer. One-third of the ledger cost of the line shall be credited to the primary road and equipment accounts to which the property had previously been charged. The difference between the total amount thus credited and the amount received for the proportion sold shall be included in Profit and Loss.

CASE 103.

Query. A carrier company sells a part of its line. To what account shall be credited a lump sum received for the property?

Answer. The primary road and equipment accounts shall be credited with amounts equal to the net amounts previously charged thereto with respect to the property sold. The difference between the total amount thus credited and the amount received shall be included in Profit and Loss.

CASE 104.

Query. Real estate purchased in the names of individuals is used by a carrier as right of way and for other operating purposes. How shall its cost be accounted for?

Answer. Under the assumption that the individuals in whose names the property has been purchased are in fact the agents of the carrier, the cost of the real estate shall be included in the carrier's property investment accounts.

CASE 105.

Query. On account of its line crossing a stream at a point on a section line a railroad purchases land for the purpose of constructing a county road at one side of the section line at this point, thus permitting separate bridges to be built for use of the railroad and the highway. The title of the land purchased is conveyed to the county, while the county surrenders its title to that portion of the land upon which the railway is constructed and which was originally occupied by the highway. To what account shall the cost of the land be charged?

Answer. It shall be charged to road and equipment account No. 2, "Land for transportation purposes."

CASE 106.

Query. To what account shall be credited amounts collected from contractors as penalties for failure to complete the construction of a portion of a line at a specified time?

Answer. Such forfeiture shall be considered as an abatement in the cost of the work covered in the contract and shall be credited to the account to which the cost of the work is charged.

CASE 107.

Query. To what account shall the cost of the equipment of cabooses with telephones be charged; also the cost of repairs of these instruments? They are for use in case of accident or trouble upon the line.

Answer. The cost of the installation as an initial equipment shall be charged to road and equipment account No. 26, "Telegraph and telephone lines," and the cost of maintenance to expense account No. 247, "Telegraph and telephone lines."

CASE 108.

Query. In the construction of new freight cars some second-hand material is used. At what prices shall this material be included in the cost of the new equipment?

Answer. The prices of the second-hand material shall be determined by deducting fair allowances for depreciation from the current prices of the material as new.

CASE 109.

Query. Under the provisions of the forfeiture clause in a lease a carrier secured title to a building which had been erected by the lessee upon the carrier's property at a cost of \$3,000. At the time of the foreclosure the lessee owed \$300 for rent. Shall the charges to the carrier's property account to cover the building be based upon the original cost or upon the amount of the rent due?

Answer. The charge to the property account shall be based upon the actual cost of the property to the carrier.

CASE 110.

Query. A wrecking crane, which was being used in removing old piles in connection with the repairs and additions and betterments to a wharf, fell through the wharf. The engineer of the crane was injured. To what account shall be charged the payments on account of these injuries?

Answer. The accident having occurred in connection with the removal of the old structure as a preliminary to the construction of improved wharf facilities, the payments shall be charged to expense account No. 274, "Injuries to persons."

CASE 111.

Query. In connection with the application of an improved device to equipment, to what account shall be charged the cost of removing the old and of applying the new device?

Answer. The cost of removing the old and of applying the new device shall be charged to the appropriate repair account.

CASE 112.

Query. To what account shall be charged the cost of a motor applied to a locomotive turntable?

Answer. The cost shall be charged to road and equipment account No. 20, "Shops and enginehouses." The cost of the motor removed, if any, shall be credited to the same account.

CASE 113.

Query. In the division of through passenger rates between Road A and Road B, Road B was allowed an arbitrary per passenger for ferry service at its terminal. Subsequently the ferry service was extended and improved, and Road B was then allowed, in addition to the arbitrary, a stated amount per year, irrespective of the number of passengers. To what accounts shall the additional payments be debited and credited by A and B, respectively?

Answer. They shall be debited and credited to the accounts to which the payments based upon the arbitrary per passenger are debited and credited.

CASE 114.

Query. A terminal railway company has no station agents, its station service being performed by the superintendent of transportation and his clerks. To what account shall the pay of these employees while thus engaged be charged?

Answer. To expense account No. 373, "Station employees."

CASE 115.

Query. At a joint terminal the lading of cars is transferred on account of the cars being in bad order. The cost of the work is charged against the road responsible for the condition of the cars. In what account shall be included the amount of such charges?

Answer. It shall be charged to expense account No. 373, "Station employees." Under the conditions stated this is not a joint facility expense.

CASE 116.

Query. A railroad which does not permit its own equipment to leave its rails receives freight cars from one connection on a per diem basis and from another upon a demurrage basis. Shall the amounts paid as demurrage be charged as hire of equipment?

Answer. They shall be so charged.

CASE 117.

Query. The fuel used by a carrier is transported upon the basis of through rates from mines located upon a foreign line. To what account shall be credited the carrier's proportion of the through rate on this material?

Answer. If the freight charges on the fuel upon the basis of through rate are charged to the carrier's fuel account, the carrier's proportion of the freight charges shall be credited to the same account.

CASE 118.

Query. A large part of the freight-car equipment used by a carrier in its operations is held under a lease from the industrial owner. To what account shall be charged amounts paid to the owner of the equipment? These payments represent rent and depreciation.

Answer. The rent shall be charged to income account, "Hire of freight cars," and the depreciation charged to expense account No. 315, "Freight-train cars—Depreciation."

CASE 119.

Query. A dining-car waiter left his car when a stop was made on account of a crossing accident. In attempting to reenter the train he fell and was injured. Shall the expenses on account of such injuries be included in the accounts for rail operations, or in those for miscellaneous operations?

Answer. They shall be charged to rail operating expense account No. 420, "Injuries to persons." (See Case 19.)

CASE 120.

Query. To what account shall be charged a carrier's expenses on account of associations of transportation and car accounting officers?

Answer. They shall be charged to the accounts which are charged with the salaries of the officers who represent the carrier as members of the associations.

CASE 121.

Query. To what account shall be charged the cost of running a special train for the purpose of promoting industries along a carrier's lines?

Answer. It shall be charged to expense account No. 356, "Industrial and immigration bureaus."

CASE 122.

Query. Is it permissible to charge to expense account No. 372, "Dispatching trains," a portion of the salaries of telegraph operators who are located in towers and who incidentally receive and deliver train orders?

Answer. It is not. No charges shall be made to this account for incidental services in receiving and delivering train orders.

CASE 123.

Query. Is it proper to credit income account "Hire of freight cars," and to charge Operating Expenses upon a per diem basis for the rent of cars used in transporting company fuel used for operating purposes?

Answer. No charges shall be made to Operating Expenses for the rent of cars used in transporting company fuel.

CASE 124.

Query. The fuel used by a carrier in its operations is delivered to its line by schooner. At the point of delivery it is unloaded into bins. From these bins it is loaded and transferred to other bins along the line and as needed is removed to coal chutes. Is the cost of the coal delivered to the line properly considered the cost of the fuel, or shall the cost of handling and transporting over the carrier's line be included?

Answer. The cost of the fuel shall include its cost delivered to the carrier plus the handling (loading and unloading) expenses up to and including delivery at the chutes. No charges for transportation over the carrier's own line shall be included.

CASE 125.

Query. To what account shall be charged the expenses connected with gathering and replacing on the tracks freight equipment wrecked by an extensive flood caused by the bursting of an industrial company's dam?

Answer. They shall be charged to expense account No. 415, "Clearing wrecks."

CASE 126.

Query. To what account shall be charged the expenses of the cold storage of freight which can not be delivered at the time it is unloaded?

Answer. The carrier's expenses on account of such storage shall be charged to expense account No. 376, "Station supplies and expenses."

CASE 127.

Query. An agent received a summons garnishing the wages of an employee. On account of delay incident to notifying the legal department the employee succeeded in drawing his pay. The carrier was obliged to make good the amount of the claim. To what account shall the loss be charged?

Answer. The loss shall be charged to expense account No. 460, "Other expenses."

CASE 128.

Query. To what account shall be charged the cost of foundry patterns?

Answer. It shall be charged to the accounts to which is chargeable the cost of the castings manufactured from the patterns.

CASE 129.

Query. A storehouse containing maintenance-of-equipment material is destroyed by fire. To what account shall be charged the loss of the material?

Answer. If the net loss is relatively small, it shall be distributed to the accounts to which the material would have been charged had the fire not occurred. If the loss is so large that its inclusion in the maintenance-of-equipment accounts would impair the significance of the statistics prepared from such accounts, the loss shall be included in account No. 621, "Miscellaneous debits."

CASE 130.

Query. A carrier pays the salaries of the employees and all other expenses of a joint outside ticket agency, and charges each tenant company for a proportion of these expenses, based upon the ticket sales. In what accounts shall these charges be included?

Answer. Carriers have the option, according to their convenience in accounting, of crediting the proportions of the expenses of joint traffic offices charged to other carriers directly to their pay roll and voucher accounts, or of including all charges on account of service in the primary operating expense accounts and crediting foreign lines' proportions to the same accounts. Joint traffic expenses are usually readily assignable to the primary accounts, and joint facility traffic accounts are therefore deemed to be unnecessary.

CASE 131.

Query. To what account shall be charged the cost of twist drills, taps, dies, etc., used in general machine work, when for the replacement of worn-out tools?

Answer. If such articles are for use as appurtenances of power machine tools, their cost shall be charged to expense account No. 302, "Shop machinery." If they are for use as hand tool equipment, they shall be charged to clearing account "Shop expenses."

CASE 132.

Query. The equipment used for the operation of a joint terminal is damaged, one of the carriers using the terminal being responsible for the repairs as the damage occurred through the fault of its employees. How shall the terminal company, which makes the repairs, clear the cost of the work in its accounts?

Answer. The cost shall be credited directly to the payroll and material accounts, or cleared through the appropriate primary accounts for repairs of equipment. This is not a joint facility item. (See Cases 42 and 66.)

CASE 133.

Query. To what account shall be charged the cost of oil used in lubricating air-brake cylinders on cars?

Answer. It shall be charged to expense account No. 402, "Train supplies and expenses."

CASE 134.

Query. To what account shall be charged the cost of preparing and recording an agreement with another carrier covering trackage rights?

Answer. Specific fees paid to attorneys for such services shall be charged to expense account No. 454, "Law expenses." It is not intended that charges shall be made to this account for the incidental services of officers whose pay is regularly chargeable to other accounts.

CASE 135.

Query. Locomotives are leased to a lumber company, the lessor furnishing fuel and other supplies for the locomotives and the lessee paying a lump sum for the supplies and for use of the equipment. To what account shall be credited the amounts received?

Answer. They shall be equitably apportioned between account No. 504, "Rent from locomotives," and the accounts originally charged with the cost of the supplies. (See section 2 of the general instructions for the Classification of Income, Profit and Loss, and General Balance Sheet Accounts.)

CASE 136.

Query. When land is rented in connection with addition and betterment projects, pending an actual purchase of the property, is the amount of such rent properly chargeable to the cost of additions and betterments? To what account shall be credited rents received from subtenants of such property?

Answer. Provided the primary object in the renting of property is to facilitate the addition and betterment work and the property is actually purchased for addition and betterment purposes, the rents paid shall be included in the road and equipment accounts, and the rents received credited to the same accounts.

CASE 137.

Query. The coupons on certain equipment-trust obligations contain a stipulation that if not paid on date of maturity the coupons shall bear interest from that date. To what account shall the interest on the coupons be charged?

Answer. It shall be charged to income account No. 547, "Interest on unfunded debt."

CASE 138.

Query. The expenses of a State railway commission are borne by the railways, the apportionment among them being based partly on net earnings and partly on mileage. To what accounts shall be charged a carrier's proportion of such expenses?

Answer. It shall be charged to income account No. 532, "Railway tax accruals."

CASE 139.

Query. A company acquires the exclusive use of tracks for a term of 10 years, paying a fixed rate per car and in addition advancing funds to the lessor for the construction of spur tracks, which are the property of the lessor. It is provided that in case of the termination of the lease before the completion of the full term, the lessor will refund to the lessee the amount advanced, less 10 per cent per annum from the date of the lease. What is the proper accounting for the advances for construction?

Answer. The lessee shall carry the advances in account No. 706, "Investments in affiliated companies," or in account No. 722, "Other deferred assets," as may be appropriate, charging one-tenth of the sum to Income each year as rents paid for lease of track. The lessor shall correspondingly credit the advances to account No. 757, "Nonnegotiable debt to affiliated companies," or to account No. 770, "Other deferred liabilities," as may be appropriate, crediting one-tenth of the sum to Income each year as rents received.

CASE 140.

Query. In what account shall be included a carrier's investment in tableware and tables, silverware, linen, and kitchen utensils in dining cars?

Answer. In account No. 54, "Passenger-train cars." (See Case 164.)

CASE 141.

Query. What is the correct accounting for the cost of adding, calculating, and typewriting machines purchased by a road during its construction period?

Answer. The cost when purchased shall be charged to account No. 74, "Stationery and printing," and if the machines are retained for use during the operating period the residual value of the property shall be credited to this account and charged to the property accounts to which is chargeable the cost of the buildings of the class in which the machines are used.

CASE 142.

Query. To what account shall be charged a carrier's investment in an experimental farm which is conducted for the purpose of increasing traffic?

Answer. The cost of lands shall be charged to account No. 2, "Land for transportation purposes," and cost of buildings to account No. 35, "Miscellaneous structures."

CASE 143.

Query. A carrier includes in the price of material sold by it the tariff charges for transportation over its line. To what account shall these charges be credited?

Answer. To account No. 101, "Freight."

CASE 144.

Query. To what account shall be credited the revenue derived from the transportation of packages, articles, etc., other than milk, on passenger trains?

Answer. If the rates charged for the transportation service are applicable only when the property is transported incident to transportation of passengers and the weight of the property is included in the determination of excess weight of baggage over free allowance, the credit shall be to account No. 103, "Excess baggage." Otherwise the revenue shall be credited to account No. 101, "Freight," if based upon freight tariffs, and to account No. 108, "Other passenger-train," when on other bases.

CASE 145.

Query. In what account shall be included the pay and traveling, office, and other expenses of officers, claim adjusters, clerks, and attendants who constitute the organizations for the handling of claim matters, including personal injury, loss and damage, overcharge, live stock, and damage to property claims?

Answer. These expenses shall be charged to accounts Nos. 451, 452, 453, or 458, as may be appropriate.

CASE 146.

Query. A carrier operates regularly over its line a train for the transportation of passengers. It receives for the transportation of through passengers a rate per train-mile from connecting lines. It concurs in the tariffs under which through passengers are transported, but does not share in the prorate of the revenue therefrom. What is the proper accounting for the amount thus received from the connecting lines?

Answer. The carrier shall include the statistics for such transportation in its own accounts, and shall credit the amount received to revenue account No. 102, "Passenger." The connecting lines shall correspondingly charge their respective proportions of the payments to the same account.

CASE 147.

Query. To what account shall be credited the revenue derived from the weighing of cars at tariff rates? The service performed is principally switching service. The expense of recording the weights of the cars is relatively small.

Answer. To account No. 143, "Miscellaneous."

CASE 148.

Query. When lighterage service is provided for under the tariff rate under which freight moves over the carrier's rail line, shall any revenue from the lighterage be credited to the water-transfer revenue accounts?

Answer. No. The revenue accounts for water transfers are intended to include merely revenue upon the basis of tariff rates covering only water-transfer service.

CASE 149.

Query. A carrier leases a part of the railroad which it operates. To what account shall be credited the rent received for the exclusive use of a dwelling house located upon the right of way of the leased line?

Answer. To account No. 510, "Miscellaneous rent income."

CASE 150.

Query. A carrier rents a part of its terminal station for use as a warehouse and furnishes electrical power for use of the tenant. To what account should be credited the compensation received?

Answer. If the compensation received is not based on distinct charges for rent of the facility and for the power furnished, and the quantity of power furnished is relatively small, the credit shall be to account No. 142, "Rents of buildings and other property." Only the proportion assignable as rent otherwise shall be credited in this account and the remainder shall be credited to account No. 141, "Power."

CASE 151.

Query. A carrier operates restaurant, billiard and pool, bathing, and barber service for the benefit of its employees. In what accounts shall the revenues and the expenses of the service be included?

Answer. The revenues shall be included in account No. 132, "Hotel and restaurant," and the expenses in account No. 442, "Hotels and restaurants."

CASE 152.

Query. To what account shall be credited the revenue derived under specific tariff rates for heating cars containing vegetable shipments?

Answer. To account No. 143, "Miscellaneous."

CASE 153.

Query. In what accounts shall be included the revenues and expenses of stock pens at stations, maintained for the feeding, watering, and resting of stock in transit, as required by law?

Answer. The revenue shall be credited to account No. 143, "Miscellaneous"; the expenses of maintenance shall be charged to account No. 227, "Station and office buildings"; and the expenses of operation shall be charged as may be appropriate to account No. 373, "Station employees," or to account No. 376, "Station supplies and expenses."

CASE 154.

Query. To what account shall be credited the revenue, derived under specific tariff rates, from transferring freight from narrow to standard gauge cars?

Answer. To account No. 143, "Miscellaneous."

CASE 155.

Query. What is the correct accounting for the revenues and expenses of coal wharves used for transferring coal from cars to boats, the revenue being derived from operations such as lifting coal from vessels, placing coal in cars, placing coal on wharves for storage and later loading into cars, and from charges for storage on wharves? This revenue is based upon specific charges. The service is not provided for in the tariff rates for the transportation of coal.

Answer. The revenue derived from storage shall be included in account No. 135, "Storage—Freight," and the remainder shall be included in account No. 143, "Miscellaneous." The cost of maintaining the wharves shall be included in account No. 243, "Coal and ore wharves," and the expense of operating them shall be included in account No. 375, "Coal and ore wharves."

CASE 156.

Query. A steam railroad company operates a street car line. What is the correct accounting for the revenues and expenses of the service?

Answer. The revenues from transportation service shall be included in the appropriate primary accounts under general account I, Transportation—Rail Line; the incidental revenue in the primary accounts under general account III, Incidental.

The expenses of operation shall be included in the appropriate primary accounts under general accounts I, Maintenance of Way and Structures; II, Maintenance of Equipment; III, Traffic; IV, Transportation—Rail Line; and VII, General.

If the carrier desires to determine the revenues and expenses of the specific operation, subprimary accounts may be set up in accordance with the order promulgating the Classification of Operating Revenues and Operating Expenses.

CASE 157.

Query. To what account shall be charged the cost of repainting switch stands and repairing bumping posts?

Answer. To account No. 216, "Other track material."

CASE 158.

Query. Road A maintains and operates a water station. Water is supplied from this station to A's train locomotives and to the train locomotives of Road B. B operates jointly with A a portion of A's tracks, and reimburses A upon a train-mile basis for a portion of the cost of maintaining and operating the water station. What is the correct accounting for the expenses of maintaining and operating this station?

Answer. A shall charge the entire cost of maintenance to account No. 231, "Water stations." The portion of the maintenance expenses borne by B shall be included in the accounts for maintaining joint tracks, yards, and other facilities. Each road shall charge its proportion of the expenses of operating the station to account No. 397, "Water for train locomotives." A has the option of including the total expense of operation in a clearing account or of clearing B's proportion of the expenses of operation through account No. 397, "Water for train locomotives."

CASE 159.

Query. To what account shall be charged expenses on account of personal injuries which a storehouse employee suffered while engaged in unloading a carload of lumber?

Answer. In case the lumber which was being unloaded was for maintenance of way and structures, the expense shall be charged to account No. 274, "Injuries to persons"; if for maintenance of equipment, the charge shall be to account No. 332, "Injuries to persons"; if for temporary grain doors, dunnage boards, sugar stripes, etc., charge to account No. 420, "Injuries to persons."

CASE 160.

Query. To what account shall be charged insurance premiums and taxes on storehouse material stock?

Answer. Premiums for insuring maintenance-of-way material stock shall be included in account No. 275, "Insurance," and those for maintenance-of-equipment material stock to account No. 333, "Insurance." In case the premiums are for insuring general store material stock which is designed both for maintenance of way and structures and for maintenance of equipment the premium shall be equitably apportioned between the above-mentioned accounts. Taxes upon store material stock shall be included in account No. 532, "Railway tax accruals."

CASE 161.

Query. To what accounts shall be credited amounts received by a carrier for cleaning and oiling the passenger cars of a tenant company?

Answer. To the accounts to which were originally charged the cost of the labor expended and the material consumed in the work. (See Case 53.)

CASE 162.

Query. The amount received by a carrier in settlement under Master Car Builders' Association rules for one of its cars which was destroyed upon a foreign line was in excess of the original cost of the car. To what account shall the profit be credited?

Answer. To the appropriate equipment retirement account.

CASE 163.

Query. To what account shall be charged the wages of timekeepers who keep the time of shop employees and make up shop pay rolls and miscellaneous statements in connection therewith?

Answer. To account No. 301, "Superintendence."

CASE 164.

Query. To what account shall be charged the cost of repairs and renewals of tableware, silverware, linen, and kitchen utensils in dining cars?

Answer. To account No. 317, "Passenger-train cars—Repairs." (See Case 140.)

CASE 165.

Query. When ice, water, fuel, and lubricating material are supplied to sleeping cars which operate over a carrier's line and the cost of the material is borne by the carrier, to what account shall be charged the expense?

Answer. To account No. 402, "Train supplies and expenses."

CASE 166.

Query. To what account shall be charged a station agent's shortage in excess of the surety bond?

Answer. To account No. 411, "Other expenses."

CASE 167.

Query. It is provided in account No. 388, "Enginehouse expenses—Yard," that in this account shall be included the expense of calling yard enginemen. Shall the expense of calling train enginemen be included in account No. 400, "Enginehouse expenses—Train"?

Answer. It shall be so included.

CASE 168.

Query. In what account shall be included the cost of renewing equipment such as tableware, table linen, kitchen utensils, and bedding, and cost of repairing furniture in hotels and restaurants the revenue from which is includible in account No. 132, "Hotel and restaurant"?

Answer. Such expenses shall be considered, as heretofore, running expenses, and shall be charged to account No. 442, "Hotels and restaurants."

CASE 169.

Query. To what accounts shall be charged plaintiff's court costs and also the carrier's own court costs in connection with personal injury cases, when such expenses are borne by the carrier?

Answer. The plaintiff's court costs shall be charged to the appropriate accounts for injuries to persons. The carrier's court costs shall be charged to account No. 454,

CASE 170.

Query. To what account shall be charged fees to physicians for the physical examination of (a) employees, and (b) applicants for employment?

Answer. (a) To the account to which the pay of the employee is chargeable, except when otherwise provided; (b) to the account to which the pay of the applicant would be chargeable if employed, except when otherwise provided.

CASE 171.

Query. When such costs are borne by the carriers, to what account shall be charged the cost of internal-revenue stamps required under the act entitled "An act to increase the internal revenue and for other purposes," approved on October 22, 1914?

Answer. The cost of such stamps for use in connection with operation shall be considered as taxes. When required in connection with construction projects, the cost shall be appropriately included in the road and equipment accounts. If in connection with the issuance of evidences of debt, it shall be accounted for as debt expense.

CASE 172.

Query. When equipment-trust certificates which mature serially are sold in one lot at a flat discount rate upon their entire par value, how shall the discount be amortized?

Answer. The discount and expense shall be amortized through charges to Income, in such manner that the ratio between the amortization charges and the principal of the equipment-trust certificates outstanding will be uniform for all fiscal periods.

For example: A company issues five equipment-trust certificates, one certificate maturing each year. The debt discount and expense is \$450. The distribution of the discount and expense should be as follows:

First year, principal outstanding \$5,000 . . .	amortization charge (rate 3 per cent)	\$150
Second year, principal outstanding \$4,000 . .	amortization charge (rate 3 per cent)	120
Third year, principal outstanding \$3,000 . . .	amortization charge (rate 3 per cent)	90
Fourth year, principal outstanding \$2,000 . .	amortization charge (rate 3 per cent)	60
Fifth year, principal outstanding \$1,000 . . .	amortization charge (rate 3 per cent)	30

CASE 173.

Query. To what account shall be charged special assessments for construction and maintenance of sewers adjacent to property the cost of which is includible in balance-sheet account No. 705, "Miscellaneous physical property"?

Answer. Assessments for the construction of such sewers shall be included in account No. 705, "Miscellaneous physical property," and those for maintenance in account No. 534, "Expenses of miscellaneous operations," provided the property is operated by the carrier; otherwise to account No. 511, "Miscellaneous nonoperating physical property."

CASE 174.

Query. A carrier borrowed equipment from a foreign line. To what account shall it charge amounts which it pays the foreign line for transporting the equipment to its line?

Answer. To the appropriate income account "Rent for equipment." (See Case 73.)

CASE 175.

Query. To what account shall be charged the rent paid for work equipment used by a carrier in maintenance of way and structures?

Answer. To account No. 540, "Rent for work equipment." Rents paid or received for work or other equipment used in operation are income items. (See section 2 of the general instructions for the Classification of Income, Profit and Loss, and General Balance Sheet Accounts.)

CASE 176.

Query. Under the condition that the expenses of maintaining equipment are borne jointly by all users of a joint terminal, how shall a carrier account for amounts received in reimbursement of taxes upon equipment used in the operation of the terminal?

Answer. When the taxes are separable from other taxes the amount received in reimbursement therefor shall be credited by the operating company to the appropriate account for rent from equipment. In case they are inseparable, the credit shall be to account No. 508, "Joint facility rent income." Correspondingly the debtor company shall charge these amounts to the appropriate account for rent for equipment or to account No. 541, "Joint facility rents," as may be appropriate.

CASE 177.

Query. When a carrier's funds are expended for construction purposes and interest charges are made to Road and Equipment under the provisions of account No. 76, "Interest during construction," to what accounts shall such interest be credited?

Answer. To account No. 515, "Income from unfunded securities and accounts."

CASE 178.

Query. A carrier's fiscal year ends on December 31. In the early part of the calendar year the carrier issues short-term notes at a discount. How shall such discount be accounted for?

Answer. The carrier's accounts shall be kept in such manner that in its annual report to the Commission the discount assignable to the period before July 1 shall be charged to income account No. 547, "Interest on unfunded debt." The amount thus assignable may be, at the carrier's option, either the entire discount or an amount proportionate to the life of the notes up to July 1.

CASE 179.

Query. To what account shall be charged interest paid on deferred taxes?

Answer. To account No. 547, "Interest on unfunded debt."

CASE 180.

Query. The capital stock of a terminal company is owned in equal proportions by the tenant companies which jointly use the terminal. The net income of the terminal company each year is distributed equally between the tenant lines. What is the correct accounting for the amounts thus distributed?

Answer. Under the conditions stated the division of this income is in substance the issue of a dividend upon stocks owned by the proprietary companies, and shall be charged by the terminal company to account No. 553, "Dividend appropriations of income."

CASE 181.

Query. Under the terms of a contract for purchase of equipment the carrier is required to deposit with the trustees all amounts collected from insurance companies on trust equipment destroyed by fire, such amounts to be held by them until the property is replaced. In what account shall these deposits be carried?

Answer. The character of the deposits indicates the propriety of their inclusion in the group of balance-sheet accounts designated as "Investments." Such deposits shall therefore be charged to account No. 704, "Deposits in lieu of mortgaged property sold."

CASE 182.

Query. Are the provisions of account No. 726, "Property abandoned chargeable to operating expenses," applicable in the accounting for amounts chargeable to Operating Expenses in connection with the retirement of equipment?

CASE 183.

Query. What is the correct accounting for a carrier's investment in a spur track to an industry when the cost of ties in and grading for the tracks is borne by the industry?

Answer. If constructed upon the property of the carrier, the entire cost of the tracks shall be included in the carrier's road and equipment accounts, and the cost of the ties and grading assumed by the industry shall be included in account No. 778, "Other unadjusted credits," or in account No. 606, "Donations," as may be appropriate. Amounts thus credited to account No. 606, "Donations," shall correspondingly be charged to account No. 615, "Surplus appropriated for investment in physical property," and concurrently credited to account No. 779, "Additions to property through income and surplus."

If constructed upon the land of the industry, only the portion of the cost which is borne by the carrier shall be included in its road and equipment accounts. (*See paragraph 11, section 2, in the general instructions for road and equipment accounts.*)

CASE 184.

Query. Under the provisions of paragraph 8, section 1, of the special instructions for the classification of operating revenues, for convenience in accounting is it permissible for a carrier to include revenue overcharges, when discovered, in the agency accounts, and to clear the unrefunded items to account No. 778, "Other unadjusted credits."

Answer. Overcharges may be temporarily carried in the agency accounts, provided they are transferred to account No. 778, "Other unadjusted credits," if unrefunded at the end of 60 days.

CASE 185.

Query. To what account shall be charged the cost of ties used in the construction of pit cattle guards?

Answer. If crossties directly supporting the rails, the charge shall be to account No. 8, "Ties." Otherwise the charge shall be to account No. 13, "Right-of-way fences."

CASE 186.

Query. In connection with the elimination of grade crossings a carrier purchases land immediately outside its right of way to provide slopes in a highway. How shall the cost of this land be accounted for—

- (a) When the carrier retains title to the land, and
- (b) When the carrier relinquishes the title to the land to the municipality?

Answer. The cost shall be charged—

- (a) To account No. 2, "Land for transportation purposes."
- (b) To account No. 15, "Crossings and signs." (*See Case 100.*)

CASE 187.

Query. To prevent another railroad from crossing its tracks at grade a carrier contributes an amount toward the cost of constructing the crossing of the other railroad above the grade of its own tracks. To what account shall be charged the amount of this contribution?

Answer. The amount of the contribution shall be charged by the carrier to account No. 15, "Crossings and signs."

CASE 188.

Query. To what account shall be charged the cost of a gasoline storage plant consisting of a storage tank and pump? The gasoline is for use in motor cars.

Answer. To account No. 20, "Shops and enginehouses."

CASE 189.

Query. To what account shall be charged the cost of a water pipe line constructed from shop water-supply system to passenger-car yards, for conveying water for car cleaning and for filling water tanks in passenger cars?

Answer. To account No. 20, "Shops and enginehouses."

CASE 190.

Query. In what accounts shall be classed a carrier's investment in railway material storehouses?

Answer. If the storehouses are located at shops and are devoted to the storage of material for maintenance of way and structures and for maintenance of equipment, the investment shall be included in account No. 20, "Shops and enginehouses." If not thus located, when devoted to the storage of material for maintenance of way and structures the investment shall be included in account No. 17, "Roadway buildings"; and when devoted to the storage of material and supplies for general purposes the investment shall be included in account No. 35, "Miscellaneous structures." If located at division or line terminal stations and devoted to the storage of station and train supplies the investment shall be included in account No. 16, "Station and office buildings."

CASE 191.

Query. A carrier purchases a number of section motor cars to replace handcars. Handcars are not included in its property investment accounts. To what account shall the motor cars be charged?

Answer. To account No. 37, "Roadway machines."

CASE 192.

Query. To what account shall be charged the cost of a ditching machine which is ordinarily operated while temporarily mounted upon a flat car?

Answer. To account No. 37, "Roadway machines."

CASE 193.

Query. To what account shall be charged the initial equipment of locomotives and cabooses with wrecking frogs when their installation is under a general plan?

Answer. To account No. 51, "Steam locomotives," and No. 53, "Freight-train cars," respectively.

CASE 194.

Query. To what account shall be charged the cost of medical services rendered for an employee injured while engaged in the construction of a new road?

Answer. To the account chargeable with the cost of the work in connection with which the employee was injured.

CASE 195.

Query. To what account shall be charged the cost of a law library installed by an operating carrier?

Answer. To account No. 16, "Station and office buildings."

CASE 196.

Query. To what account shall be charged amounts paid to trust companies for the registration and transfer of capital stock?

Answer. Payments in connection with the issue of capital stock are provided for in account No. 71, "Organization expenses." Payments in connection with the transfer of capital stock shall be included in account No. 460 "Other expenses."

CASE 197.

Query. What should be the accounting, under the provisions of Conference Ruling No. 87, for tariff charges for transportation over the carrier's own line of kitchen utensils, food, and other supplies for hotels and restaurants which serve the general public, the revenue from which is creditable to account No. 132, "Hotel and restaurant."

Answer. The revenue from such charges shall be credited to the revenue account appropriate for the service, and concurrently charged to expense account No. 442, "Hotels and restaurants."

CASE 198.

Query. Road A purchases fuel supply coal f. o. b. mines, which are located on Road B. B charges \$1.10 per ton for transporting the coal to A's line, absorbing a charge of \$2 per car for interchange switching service rendered by A. The mining company prepays B's freight charges and includes them in a specific charge against A. How shall A account for these freight charges?

Answer. A shall include in the cost of the coal the freight charges, less the switching charges absorbed. The switching charges shall be charged to account No. 110, "Switching."

CASE 199.

Query. One of a carrier's terminals is jointly operated for the benefit of its own business and that of a connecting line. Shall the amounts charged the tenant company for rent of locomotives used in the operation of the joint terminal be considered as a joint facility item and included by the lessor in account No. 508, "Joint facility rent income," or shall the item be considered as a hire of equipment item, and included in account No. 504, "Rent from locomotives"?

Answer. It shall be included in account No. 504, "Rent from locomotives."

CASE 200.

Query. How shall be classified the train-miles of a gasoline-electric motor combination freight and passenger car which transports passengers and less-than-carload freight?

Answer. In account No. 803, "Mixed-train miles."

CASE 201.

Query. A carrier owns a piece of real estate, the cost of which is included in account No. 705, "Miscellaneous physical property." The right to remove sand and gravel from this property is leased. To what account shall the carrier credit the compensation received under the lease?

Answer. Such portion of the amount received as represents the depletion in the value of the property due to the removal of the sand and gravel shall be credited to the investment account, and the remainder shall be credited to income account No. 511, "Miscellaneous nonoperating physical property."

CASE 202.

Query. The accounting for small items of overcharges on freight shipments which are found to be unrefundable involves a considerable refinement in accounting. Is it permissible to carry these items in the revenue accounts until refund is actually made?

Answer. Revenue overcharges amounting to one dollar or less on any one shipment may be carried in the freight revenue accounts until refunded.

CASE 203.

Query. Under the effective classification, is it intended that the cost of repairs and renewals of switch lamps shall be included in account No. 389, "Yard supplies and expenses"?

Answer. It is the intent of the classification that only the cost of switch-lamp supplies, such as oil, wicks, etc., shall be included in this account. The cost of repairs and renewals of switch lamps is provided for in account No. 216, "Other track material."

CASE 204.

Query. What shall be the accounting for expenditures during construction for salaries of a traffic manager, a traffic superintendent, and for printing and compiling tariffs? These expenditures were made solely for the purpose and in advance of commercial operations, no commercial traffic of any kind having been transported during the period of construction.

Answer. Under the conditions set forth these expenditures shall be charged to a suspense account until the road begins operation, and shall then be cleared to the appropriate operating expense accounts.

CASE 205.

Query. Where grade crossings are eliminated through a joint arrangement between a carrier and Government, whereby the latter assumes a proportion of the cost, on what basis shall the carrier's charges to its property investment accounts be made?

Answer. The carrier shall include in its property investment accounts its proportion only of the expenditure includible in the accounts of the Classification of Investment in Road and Equipment. Consideration shall be given to credits to property accounts resulting from abandonment of property in connection with the joint project.

CASE 206.

Query. What shall be the accounting for employers' liability insurance premiums assessed under State laws and based on a percentage of the wages paid employees engaged in construction work?

Answer. Such premiums shall be regarded as a labor cost, chargeable to the work to which the labor is assigned.

CASE 207.

Query. Shall a proportion of the salaries and expenses of a construction engineer and his office force when engaged on maintenance work be charged to operating expenses?

Answer. When the services rendered by such officers and employees are merely incidental, no charge shall be made to operating expenses.

When members of a construction engineering force are specifically assigned or devote a material portion of their time to maintenance work, or an engineer in charge of maintenance and members of his force are specifically assigned or devote a material portion of their time to construction or work on additions and betterments, their salaries and expenses while so engaged shall be charged to the accounts appropriate to the work upon which they have been engaged or to which they have been specifically assigned. (See Cases 10 and 22.)

CASE 208.

Query. What account is chargeable with the cost of land outside the carrier's right of way, upon which is erected a storage warehouse includible in account No. 22, "Storage warehouses"?

Answer. The cost of the land shall be charged to account No. 2. "Land for transportation purposes."

CASE 209.

Query. In order to avoid the expense of eliminating grade crossings a carrier contributed a sum of money to relocate a short section of a turnpike which crosses its line several times. The turnpike as originally located will continue to be used for the accommodation of parties who otherwise would be shut off from access to the turnpike. To what account shall the carrier charge this contribution?

Answer. To road and equipment account No. 2, "Land for transportation purposes."

CASE 210.

Query. In order to secure a right of way to a new bridge a carrier removed another company's transmission line to another location. To what account shall this expense be charged?

Answer. To account No. 2, "Land for transportation purposes."

CASE 211.

Query. A carrier purchased right of way through a certain tract under an agreement with the owner of the property that within two years from the date of its franchise the carrier would substitute electricity for steam in the operation of its road. This substitution was found impracticable and a certain amount was paid the former owner of the land as a release from all damages claimed for violation of the conditions of purchase. To what account shall this payment be charged?

Answer. This payment shall be regarded as additional cost of the land and shall be charged to account No. 2, "Land for transportation purposes."

CASE 212.

Query. In the course of construction Road A has occasion to cross the tracks of Road B. The tracks of the latter company are slightly higher than the proposed grade of the former and it is finally decided to construct the crossing at grade. Road A agrees to lower the grade of Road B, to relay and reballast its tracks and reconstruct a highway crossing which lies entirely upon the property of Road B. The entire expense of the work is borne by Road A and included in its property investment account. What primary accounts shall be charged with the cost of the work?

Answer. The entire cost of the work shall be included in account No. 2, "Land for transportation purposes," as a part of the cost of acquiring the right of way.

CASE 213.

Query. A local improvement association issued a note in payment for land which it donated to a railway company for a building site. The site was donated upon condition that the company would erect shops thereon. Not being able to undertake the construction of the shops immediately upon the donation

of the land, the carrier has agreed to pay the interest on the note until such time as construction is actually commenced. To what account shall such interest be charged?

Answer. The amount of interest paid shall be carried in a suspense account until the final disposition has been determined upon. If the condition under which the donation was made is fulfilled, interest payments shall be charged to road and equipment account No. 2, "Land for transportation purposes." If the conditions are not fulfilled and the plan is abandoned, the amount of interest shall be transferred to profit and loss account No. 621, "Miscellaneous debits."

Until the actual fulfillment of all the conditions, the land should not be considered as a donation, but the value of the property shall be debited and credited to appropriate suspense accounts included respectively in balance sheet accounts No. 727, "Other unadjusted debits," and No. 778, "Other unadjusted credits."

CASE 214.

Query. To what account shall be charged the cost of building towers to carry an electric power company's wires over the tracks of a carrier?

Answer. Their cost shall be charged to account No. 15, "Crossings and signs."

CASE 215.

Query. A carrier operating through a public street under its franchise is required to bear the expense of paving between its tracks, the paving including several highway crossings. What distinction shall be made in distributing the cost of the work between road and equipment accounts No. 15, "Crossings and signs," No. 36, "Paving," and No. 39, "Assessments for public improvements"?

Answer. As the cost of the work is borne by the carrier solely because of its occupancy of the street, the entire cost of the initial paving shall be included in account No. 36, "Paving." The paving at crossings in this connection is incidental and its cost shall not be separately accounted for.

CASE 216.

Query. To what accounts shall be charged expenditures incurred in installing racks to support tanks containing hydrocarbon for snow-melting purposes, and in building a railing at a switch stand on a steep embankment for the protection of trainmen?

Answer. When these racks are installed primarily in connection with the removal of snow from station platforms or station grounds their cost shall be charged to road and equipment account No. 16, "Station and office buildings"; if installed primarily in connection with the removal of snow from tracks or switches, to road and equipment account No. 17, "Roadway buildings." Cost of building railing at a switch stand should be charged to road and equipment account No. 85, "Miscellaneous structures."

CASE 217.

Query. To what account under the Classification of Investment in Road and Equipment shall be charged the cost of a building used for storage of supplies for both roadway and equipment maintenance purposes and the expenditures for furniture and fixtures necessary to equip it for such use?

Answer. If the use of the building for either one of the two purposes greatly predominates and renders insignificant its use for the other purpose, the cost of the building and the furniture and fixtures necessary to equip it for use shall be charged to account No. 17, "Roadway buildings," or account No. 20, "Shops and enginehouses," as indicated by the principal use mentioned. If not used for either purpose to the predominant extent referred to, the cost of the building and furniture and fixtures necessary to equip it shall be charged to account No. 35, "Miscellaneous structures." (See Case 190.)

CASE 218.

Query. To what account shall a carrier charge the cost of its installation of a tie-treating plant?

Answer. To account No. 17, "Roadway buildings."

CASE 219.

Query. A carrier maintains and operates a number of battery-charging plants installed in distinct buildings at various terminals and enginehouses for the purpose of charging storage batteries placed on locomotives to provide current for electric headlights. To what account shall the investment in these plants be charged and how shall the expenses of maintenance and operation be classified?

Answer. The investment in this property shall be charged to accounts No. 20, "Shops and enginehouses," and No. 44, "Shop machinery." The cost of maintaining the buildings shall be charged to account No. 235, "Shops and enginehouses," and of maintaining the boilers and machinery to account No. 302, "Shop machinery." The expense of operation shall be equitably apportioned between accounts No. 387, "Other supplies for yard locomotives," and No. 399, "Other supplies for train locomotives."

CASE 220.

Query. In what account shall be included the cost of constructing pipes which are used for conveying shavings from woodworking machines in shops to the point at which they are disposed of?

Answer. The cost of constructing such pipes shall be included in account No. 20, "Shops and enginehouses."

CASE 221.

Query. To what account shall be charged the cost of a building used for the production of oxy-acetylene gas, which is piped to various units comprising a shop layout?

Answer. The cost of the building shall be charged to investment in road and equipment under account No. 25, "Gas producing plants."

CASE 222.

Query. By the terms of an agreement between a railroad company and a telegraph company it is provided that the railroad company shall furnish the labor and the telegraph company the material required to construct, maintain, and operate a telegraph line along the railroad company's right of way. To what account shall be charged the railroad company's expenditures in connection with the construction of the telegraph line?

Answer. The railroad company's proportion of the cost of labor furnished to construct the original telegraph line shall be charged to road and equipment account No. 26, "Telegraph and telephone lines." (See Case 223).

CASE 223.

Query. To what account shall be charged the expenditures in connection with the installation of cross arms on poles owned by a telegraph company for the accommodation of the railway company's telephone lines? Under the agreement the entire cost of installation is borne by the railway company, but title to one-half of each cross arm installed is vested in the telegraph company.

Answer. As the entire expense of the installation is assumed by the railroad company, even though it acquires but one-half ownership in the cross arms, such expense shall be regarded as the railroad company's interest in the investment and charged to account No. 26, "Telegraph and telephone lines." In this connection, see the last paragraph of section 2 of the general instructions contained in the Classification of Investment in Road and Equipment, which provides that the carrier's proportion only of the cost of joint projects shall be included in the accounts of that classification. (See Case 222).

CASE 224.

Query. To what account shall be charged the cost of a well containing several pumps, the water from which is used solely in a power plant?

Answer. The cost of the well shall be charged to account No. 29, "Power plant buildings." The cost of the pumps shall be charged to account No. 45, "Power plant machinery."

CASE 225.

Query. To what account shall be charged the cost of installing lighting systems in switching yards?

Answer. The cost of overhead wires, insulators, and connections shall be charged to account No. 32, "Power distribution systems"; the items of construction enumerated in the text of account No. 33, "Power line poles and fixtures," shall be charged accordingly. The cost of electric lamps, globes, and reflectors, if they be used for lighting yards, shall be charged to account No. 35, "Miscellaneous structures." If they be used for lighting buildings, the cost shall be charged to the account represented by the building served.

CASE 226.

Query. To what account shall be charged underground conduits used for carrying electric light and power wires for general purposes not in connection with electric railway operations?

Answer. The cost of underground conduits in connection with power transmission and power distribution systems shall be included in account No. 34, "Underground conduits," whether the power conducted is for the propulsion of trains or for general purposes.

CASE 227.

Query. To what account shall be charged the cost of oak blocking and wedges for rerailing equipment?

Answer. The cost of first equipping work or other equipment with blocking and wedges for rerailing equipment shall be charged to the appropriate equipment accounts under investment in road and equipment.

The cost of renewals shall be charged to operating expense accounts Nos. 326, "Work equipment—Repairs," 387, "Other supplies for yard locomotives," 399, "Other supplies for train locomotives," or 402, "Train supplies and expenses," as indicated by the class of equipment supplied.

Wrecking frogs and wrecking wedges supplied to yards should be charged to operating expense account No. 389, "Yard supplies and expenses." (See Case 193.)

CASE 228.

Query. How may assessments chargeable to account No. 39, "Assessments for public improvements," be distinguished from those chargeable to account No. 532, "Railway tax accruals"?

Answer. Amounts chargeable to account No. 39, "Assessments for public improvements," are restricted to assessments which apply to defined areas within taxing districts and are based upon specific benefit to property from the construction of public improvements. Any proportion of the cost of such improvements which is included in the general tax levy for a regular taxing district shall be included in the appropriate tax account in Income.

CASE 229.

Query. To what account shall be charged an amount paid in the compromise of a suit filed jointly by a municipality and a paving company against a carrier for an assessment for paving a street adjacent to railway property? To what account shall be charged the court costs which were paid by the carrier?

Answer. The amount paid in the compromise of the suit shall be charged to account No. 39, "Assessments for public improvements." The court costs shall be charged to account No. 454, "Law expenses."

CASE 230.

Query. While a carrier's line was under construction it conducted commercial operations which made necessary certain expenditures for maintenance of track. To what account shall be charged this cost of maintenance?

Answer. When commercial operations are conducted over a line under construction the cost of track maintenance during the construction period shall be charged to account No. 40, "Revenues and operating expenses during construction."

CASE 231.

Query. To what account shall be charged the cost of portable buildings used in construction work?

Answer. The cost of such structures shall be charged to the construction work in connection with which the expenditure is incurred. If not thus assignable, their cost shall be charged to account No. 43, "Other expenditures—Road."

CASE 232.

Query. In what account shall be included a carrier's investment in apparatus for a testing laboratory?

Answer. The cost of the initial equipment of laboratory apparatus shall be included in account No. 44, "Shop machinery." The cost of repairs and renewals shall be included in account No. 302, "Shop machinery."

CASE 233.

Query. A carrier has purchased a considerable number of beet racks to be used on its cars during the beet shipping season. These racks are not for temporary use. They cost \$125 apiece, are substantial in structure, and form part of the company's permanent equipment, being stored between seasons. Shall their cost be charged to operating expense account No. 402, "Train supplies and expenses," or to road and equipment account No. 53, "Freight-train cars"?

Answer. As these racks are not of the type of temporary car fitting, but are permanent equipment, their cost shall be charged to account No. 53, "Freight-train cars," under a subaccount, if desired, and depreciated under rules applying to equipment.

CASE 234.

Query. To what account shall be charged investment in locomotives permanently withdrawn from commercial service and assigned to shop or storehouse switching service?

Answer. Investment in locomotives permanently withdrawn from commercial service and assigned to switching service at shops or storehouses shall be charged to account No. 57, "Work equipment."

CASE 235.

Query. To what accounts shall be charged the initial cost and the cost of maintaining motor cars used in "hump" yards for transporting car riders between different parts of the yards?

Answer. The initial cost of cars shall be charged to account No. 57, "Work equipment." The cost of maintenance shall be charged to account No. 326, "Work equipment—Repairs."

CASE 236.

Query. To what account shall be charged the cost of farm machinery and live stock for a demonstration farm operated by a carrier?

Answer. To account No. 58, "Miscellaneous equipment." (See Case 142.)

CASE 237.

Query. To what account shall be charged revenue overcharges previously written off through account No. 605, "Unrefundable overcharges," and later refunded.

Answer. To account No. 605, "Unrefundable overcharges."

CASE 238.

Query. What is the correct accounting for the cost of adding, calculating, and typewriting machines purchased—

(a) To replace equipment charged to property account;

(b) To replace similar equipment, the cost of which was originally charged to operating expenses; and

(c) As the initial equipment of a road in operation?

Answer. Such expenditures shall be charged as follows:

(a) To the stationery and printing accounts in Operating Expenses appropriate for the departments making use of the machines.

(b and c) To the road and equipment accounts to which is chargeable the cost of the buildings of the class in which the machines are used.

Charges to property investment as additions under the provisions of this case are conditioned on the understanding that a satisfactory register is maintained to enable the proper distinction to be made between additional equipment and renewals or replacements. (*See Case 141.*)

CASE 239.

Query. What disposition shall be made in a carrier's accounts of other carriers' proportions of overcharges assumed under the operation of the rules of the Freight Claim Association which establish a voucher minimum of \$1.

Answer. Proportions of overcharges due from foreign lines assumed in settlement of claims because less than the voucher minimum of \$1 shall be adjusted through the revenue accounts.

CASE 240.

Query. A carrier's baggage storage tariffs provide that charges shall be assessed at the rate of 25 cents for the second 24 hours or fraction thereof, and 10 cents for each succeeding 24 hours or fraction thereof. The laws of the different States governing the sale of unclaimed baggage provide that it shall not be disposed of in less than variously specified periods. In one State, for example, the period prescribed is three months. In actual practice, however, baggage is held for a year, resulting in storage accruals of from \$30 to \$40 on every piece. The proceeds from sales average \$1.50 a piece. Is it permissible to accrue storage revenue only for the time carrier is required by law to hold the baggage subject to claim?

Answer. Under the assumption that the retention of this baggage beyond the time the carrier is required by law to hold such property is for the convenience of the carrier only, there is no objection to discontinuing storage accruals after that date provided the baggage is actually sold as unclaimed.

CASE 241.

Query. A carrier has an arrangement with several electric railways that parallel its tracks for a considerable distance, whereby both passengers and freight originating at or destined to intermediate points that are common to both companies are received at or delivered to these points by the electric railways and the necessity avoided of stopping through trains or providing local trains for the accommodation of this traffic. The electric carriers concur in the tariffs upon which the transportation charges are assessed. In lieu of dividing the tariff rates with the electric railways to compensate them for the service they perform they are paid certain fixed monthly payments. To what account shall such payments be charged?

Answer. The amount of these payments to the electric railways may properly be considered as an ordinary division of the revenue and credited by the electric railways to appropriate revenue accounts. Correspondingly, the charges of the steam carrier shall be to its revenue accounts.

CASE 242.

Query. A carrier has in effect a traffic arrangement with certain connecting lines which provides that on competitive freight the switching line will receive a division of the through rate of approximately \$10 per car. This division of rate is separate from and in addition to the tariff switching charge. To what account shall such revenues be credited?

Answer. When the terminal service involves only a switching movement the revenue shall be credited by the terminal carrier to account No. 110, "Switching." When the terminal carrier performs a road service the entire amount received by it shall be credited to account No. 101, "Freight."

CASE 243.

Query. To what account shall be charged the pay of a car inspector who lubricates cars in addition to his other duties?

Answer. The pay of such an employee whose duties are specifically divided between inspection and lubrication of cars shall be apportioned, upon the basis of the time devoted, to the repair and lubrication accounts, but the pay of such an employee engaged in ordinary car inspection, whose service in lubricating cars is incidental to his regular duties, shall be included in the appropriate equipment repair account.

CASE 244.

Query. What shall be the accounting for amounts paid a terminal company for making and breaking up trains? The rates for this service are now in the terminal company's tariffs.

Answer. Amounts paid a terminal company for making and breaking up trains upon the basis of switching tariff rates shall be treated as a division of the revenue and charged to account No. 101, "Freight," account No. 102, "Passenger," or account No. 110, "Switching," as may be appropriate. When an empty car is moved otherwise than in connection with a loaded movement, the amount paid for switching shall be charged to account No. 411, "Other expenses." The revenue collected by the terminal company shall be credited to account No. 110, "Switching." (See Case 27.)

CASE 245.

Query. How shall revenue of a terminal line operating within a switching district and participating in the movement of through less-than-carload shipments from points on its line to points on connecting lines be classified? The service performed at a published tariff rate involves picking up, classifying, and reloading of less-than-carload shipments.

Answer. The revenue shall be included in revenue account No. 110, "Switching."

CASE 246.

Query. What is the correct accounting for revenue derived from the transportation in baggage cars of baby carriages, bicycles, dogs, etc., when the baggage tariff under which they are handled specifies that such articles will be checked and charges assessed at excess baggage rates for the gross weight of the articles transported? None of the articles form any part of the baggage allowance.

Answer. Such revenue shall be credited to account No. 108, "Other passenger-train." (See Case 144.)

CASE 247.

Query. To what account shall be charged the pay of electricians while engaged in trimming, cleaning, and adjusting arc lights in yards?

Answer. To account No. 377, "Yardmasters and yard clerks."

CASE 248.

Query. To what accounts shall be credited revenue received for the movement of a carnival company on the basis of specific amount for transportation

between two stations on a carrier's line, the cars of the carnival company being attached to a regular mixed train handling other passengers and freight?

Answer. Such amounts shall be equitably apportioned between account No. 108, "Other passenger-train," and account No. 112, "Other freight-train."

CASE 249.

Query. To what account shall be credited the amount collected from a lumber company, under the terms of a guaranty, by which the lumber company agreed to ship a certain amount of lumber during a specified period and is therefore obligated to pay a stated amount per thousand feet for the lumber it failed to ship?

Answer. The amount collected under the guaranty shall be credited to account No. 112, "Other freight-train."

CASE 250.

Query. Note A, applying to primary account No. 121, "Freight," under general account II, "Transportation—Water line," on page 19 of the classification for operating revenues of steam roads, provides that "Other carriers' proportions of revenue and of uncollectible undercharges paid by the carrier on account of errors in routing and billing shall be charged to operating expense account No. 432, 'Operation of terminals,'" while the text of account No. 433, "Incidental," under the subhead "Loss and Damage—Freight," requires that that account shall be charged with "* * * uncollectible freight charges paid other carriers on misrouted * * * shipments."

Is there not a conflict between these instructions?

Answer. The instructions in Note A under account No. 121, "Freight," shall be followed. The text of account No. 433, "Incidental," at the first favorable opportunity will be brought into harmony with the provisions of the note mentioned.

CASE 251.

Query. To what account shall be credited commissions received by a carrier through its station agents for selling accident insurance policies?

Answer. To account No. 133, "Station, train, and boat privileges."

CASE 252.

Query. To what account shall be credited amounts collected from passengers as penalties for loss of baggage checks?

Answer. Collections from passengers for lost baggage checks shall be credited to account No. 143, "Miscellaneous."

CASE 253.

Query. To what account shall a carrier credit amounts collected at the rate of \$1 per day for use of its tracks by a land company for the storage of a private car?

Answer. Amounts collected for the privilege of parking or storing private or chartered cars on a carrier's tracks shall be credited to account No. 143, "Miscellaneous."

CASE 254.

Query. To what account shall be credited amounts collected under a tariff provision to the effect that a stated charge shall be made for inspection of shipments of perishable freight not moving under refrigeration, the inspection being performed at various points between point of origin and destination for the purpose of ascertaining whether or not shipments are in proper condition to continue movement?

Answer. Under the conditions indicated, the amounts so collected shall be credited to account No. 143, "Miscellaneous."

CASE 255.

Query. In what account shall be included the proceeds derived from the sale of waste paper and old records?

Answer. The amount of such proceeds shall be credited to account No. 143, "Miscellaneous."

CASE 256.

Query. To what account shall be credited a carrier's revenue, on basis of tariff charges, for trimming coal cargoes transferred from cars to vessels belonging to outside parties? To what account shall the expense of this service be charged?

Answer. The revenue from trimming such coal cargoes shall be credited to account No. 143, "Miscellaneous." The expense of the service shall be charged to account No. 375, "Coal and ore wharves." (See Case 155.)

CASE 257.

Query. It frequently occurs that a joint facility is used in yard and terminal operations of one carrier and in other than yard or terminal operations by the other carrier. In accounting for settlements between carriers, covering the operation of joint facilities, is it permissible for each carrier to use the particular joint facility primary account under general account IV, "Transportation—Rail line," which is appropriate according to the use of the property?

Answer. This may be done.

CASE 258.

Query. To what account shall be credited an amount billed against a lessee company under a contract covering the use of joint facilities for the proportion of an assessment for public improvements?

Answer. The assessment paid upon property used jointly shall be charged by the owning company to the appropriate investment account, and the proportion paid by the user shall be charged by it to account No. 541, "Joint facility rents," a corresponding credit being made by the owner to account No. 508, "Joint facility rent income."

CASE 259.

Query. Roads A and B equally own a passenger station and the land on which located, the station being so situated that both roads use their own tracks for trains arriving or departing therefrom. The station is not a regular freight

or passenger terminal for either road. The station employees are carried on each road's pay rolls for 50 per cent of their salaries, but Road A furnishes all station supplies and charges B with 50 per cent of such expense. The expenses of the station supplies average about \$30 per month. To what account shall be charged expenditures by Road A for supplies furnished the station?

Answer. The proportion of the expense assumed by B shall be credited by A and charged by B to the appropriate joint facility operating expense accounts.

CASE 260.

Query. In what account shall be included the cost of compiling statistics for use in connection with rate cases (a) when they are prepared by a carrier's regularly employed accountants; (b) when such statistics are compiled by specifically retained statisticians and accountants?

Answer. The cost of compiling such statistics shall be included (a) in the account to which the employees' labor is ordinarily charged; (b) in the same accounts which would have been charged if the labor had been performed by the regular employees of the carrier. This also applies to the amounts paid as overtime to regularly employed office forces.

CASE 261.

Query. In the operations of a small carrier a locomotive regularly performs both train and yard service, the latter comprising switching at junctions and terminals and consisting of spotting cars at industrial and warehouse tracks, picking up empties at terminals, delivering cars to connecting carriers at interchange tracks, and making up trains. Upon what basis should a segregation be made in the accounts for train and yard service to cover wages of trainmen and enginemen, and the cost of fuel, water, lubricants, and other supplies? Should the amount of time devoted to each service be the determining factor? If so, what disposition shall be made of excess time at terminals waiting for schedule time of leaving?

Answer. The expenses of a road locomotive engaged in switching only incidentally or at way stations should be classified as road service. When a locomotive regularly combines train service with yard service at junction points and terminals where regular switching service is maintained and the basis of compensation varies according to class of service the wages of trainmen and enginemen shall be divided between train expenses and yard expenses upon basis of compensation allowed for each class of service. Where no distinction is made as to compensation the apportionment shall be upon the basis of time devoted to each class of service. The cost of fuel, water, and other supplies shall be divided according to the mileage of each class of service.

CASE 262.

Query. At various industries on a carrier's line, the carrier furnishes the locomotives and performs all switching on industry tracks for its own benefit and also for that of connecting lines. Bills are rendered against the other carriers on the basis of cost of the service performed. How shall the compensation be accounted for?

Answer. The proportion which covers the cost of repairs to and depreciation of locomotives shall be cleared through joint-facility accounts, "Maintaining joint equipment at terminals." The proportion covering wages of trainmen and enginemen and the cost of fuel, stores, and other supplies for locomotives

shall be cleared through joint-facility accounts, "Operating joint yards and terminals." Any allowance for the rent of locomotives shall be included in the appropriate locomotive rent accounts in Income.

CASE 263.

Query. To what account shall be charged the cost of initial application of oil to roadbed?

Answer. The cost of the initial and all subsequent applications of oil to roadbed shall be included in operating expense account No. 202, "Roadway maintenance."

CASE 264.

Query. In the text of operating expense account No. 202, "Roadway maintenance," under the subhead, "Care of roadbed," appears the item "constructing and cleaning tile ditches, open ditches, and drains." What is the nature of the construction referred to?

Answer. The item in question does not relate to permanent improvements, but is intended to apply to work of a temporary character in connection with maintenance.

CASE 265.

Query. To what account shall be charged the amount of a judgment rendered in behalf of a former employee in a suit against a carrier for personal injuries sustained while entering its general office building? This injury was alleged to have been caused by a defective step. The injured person was a station employee at the time of the accident, but was not acting in the discharge of his duties when it occurred.

Answer. The amount of the judgment shall be charged to account No. 460, "Other expenses."

CASE 266.

Query. To what account shall be charged the rent of a house used for storing track tools?

Answer. Account No. 277, "Other expenses."

CASE 267.

Query. To what account shall be charged the cost of disinfecting work equipment?

Answer. The cost of disinfecting cars used in work service shall be included in the accounts chargeable with the supplies consumed in connection with the operation of work trains and shall be included in the cost of the work to which the service pertains.

CASE 268.

Query. How shall a carrier account for the cost of repairs to locomotives used as work equipment?

Answer. All repairs to locomotives whether assigned to transportation service or work service, to the extent that the repairs were occasioned by the use of such equipment in maintenance work, shall be charged to account No. 326, "Work equipment—Repairs." The apportionment of repairs to locomotives used both in transportation and maintenance service shall be upon an equitable basis.

CASE 269.

Query. Due to an error on the part of a station employee, an item of customs charges amounting to \$50 was omitted from billing and is now found to be uncollectible. To what account shall this amount be charged?

Answer. To account No. 411, "Other expenses."

CASE 270.

Query. To what account shall be charged amounts paid to claimants in settlement of losses occasioned by errors of a company's operators in transmitting commercial messages, the telegraph line being owned and operated by the railroad company?

Answer. To account No. 411, "Other expenses."

CASE 271.

Query. To what account shall be charged payments for parcels lost while in the possession of a carrier's check room?

Answer. To account No. 419, "Loss and damage—Baggage," or No. 433, "Incidental," as may be appropriate.

CASE 272.

Query. To what account shall be charged the pay of telegraph operators located in general offices who render services to all departments having offices in the general office building?

Answer. To account No. 452, "Salaries and expenses of clerks and attendants."

CASE 273.

Query. To what account shall be charged amounts paid in settlement of injuries to persons occurring in connection with the operation of a pay-car train?

Answer. To account No. 460, "Other expenses."

CASE 274.

Query. A carrier has arranged for the payment of wages or salaries to employees who are members of the National Guard and have enlisted in the military service of the United States. How shall such allowances be charged during the period of enlistment?

Answer. Expenditures for the purposes stated shall be charged to account No. 460, "Other expenses."

CASE 275.

Query. To what account shall be credited rentals received from other companies for the use of roadway machines loaned to them?

Answer. If the roadway machines in question are permanently mounted for movement on carriers' tracks, the rentals shall be credited to account No. 507, "Rent from work equipment"; if not so mounted, rentals shall be credited to account No. 510, "Miscellaneous rent income."

CASE 276.

Query. To what account shall be credited rentals received by a carrier (a) for the use of portions of its right of way for cultivation purposes, (b) for use of a part of its right of way for a pole line of a telephone company?

Answer. On the assumption that there is no expense for maintenance of the property so used the rentals shall be credited to account No. 510, "Miscellaneous rent income."

CASE 277.

Query. To what account shall be credited fees charged for exchanging coupon bonds for registered bonds?

Answer. Fees collected by a carrier in connection with the exchange of coupon bonds for registered bonds shall be credited to account No. 519, "Miscellaneous income." (See Case 284.)

CASE 278.

Query. To what account shall be charged amounts assessed against carriers by a State for the maintenance of the office of State inspector of automatic couplers, air brakes, and automatic brakes? These assessments are collected from all carriers subject to the tax.

Answer. Such expenditures shall be charged to account No. 532, "Railway tax accruals." (See Case 138.)

CASE 279.

Query. To what account shall be charged a company's proportion of taxes paid by another carrier on buildings which are jointly owned and jointly used by both companies?

Answer. The proportion of taxes billed against the contributing carrier shall be charged by it to account No. 532, "Railway tax accruals."

CASE 280.

Query. A carrier is allowed a discount for the prompt payment of its taxes. To what account shall this discount be credited?

Answer. The accounting rules contemplate that the net amount of taxes paid shall be included in income accounts No. 532, "Railway tax accruals," No. 535, "Taxes on miscellaneous operating property," and No. 544, "Miscellaneous tax accruals." The discount realized, therefore, shall be credited to the account to which the taxes are chargeable. (See Case 179.)

CASE 281.

Query. A special tax was levied by a county to aid a carrier in the electrification and extension of its line. The carrier contributed its share of this special tax. To what account shall be credited the proceeds of the special tax received from the county? To what account shall the carrier charge its proportion of the special tax?

Answer. The total amount received by the carrier from the county as the proceeds of this special tax, being the amount expendable for electrification and extension, shall be credited to account No. 754, "Grants in aid of construction." The carrier's proportion of the tax shall be charged to income account No. 532, "Railway tax accruals."

CASE 282.

Query. To what account shall be charged uncollectible car demurrage charges? The debtor company has become bankrupt, and very little, if any, of the amount due for demurrage will ever be collected.

Answer. Any items accrued under tariffs and creditable to revenue accounts Nos. 101 to 143, inclusive, when uncollectible, shall be charged to account No. 533, "Uncollectible railway revenue."

CASE 283.

Query. In a personal injury case a carrier has a judgment rendered against it in a trial court, but takes an appeal from the verdict to a higher court, in which the judgment is affirmed. Interest from the date of the judgment in the lower court was paid at the time of final settlement. To what account shall the interest be charged?

Answer. The interest shall be charged to account No. 547, "Interest on unfunded debt."

CASE 284.

Query. To what account shall be charged amounts paid financial institutions for their services in paying interest on a carrier's bonds?

Answer. The expenditures in question shall be charged to account No. 551, "Miscellaneous income charges." (See Case 277.)

CASE 285.

Query. To what account shall be credited amounts received in part payment of an account which had previously been charged to account No. 533, "Uncollectible railway revenue"?

Answer. To account No. 533, "Uncollectible railway revenue."

CASE 286.

Query. To what account shall be charged expenditures in connection with the examination of records and the securing of data as to traffic and other information relative to the placing of a bond issue?

Answer. Such expenses shall be charged to a suspense account and subsequently cleared to funded debt expense if the bonds are issued; if not issued the expenses shall be charged to account No. 621, "Miscellaneous debits."

CASE 287.

Query. A carrier made application to a State industrial commission to carry its own risk under the provisions of a workmen's compensation law. The application was granted on condition that securities of the value of \$5,000 be deposited with and registered in the name of the State industrial commission. In accordance with this requirement \$5,000 par value of certain municipal bonds, due 1953, were purchased and deposited with the commission. The interest on the bonds, however, will not be retained in the fund, but will be collected by the commission and forwarded to the carrier. Shall the cost of the securities be charged to account No. 711, "Special deposits"? To what account shall the income be credited?

Answer. Inasmuch as the text of account No. 711, "Special deposits," limits its use to deposits of a temporary character, the cost of the securities deposited

with the State industrial commission shall be charged to account No. 721, "Insurance and other funds." The income from the securities shall be included in account No. 516, "Income from sinking and other reserve funds."

CASE 288.

Query. In the Form of General Balance Sheet Statement for Steam Roads, First Revised Issue, effective June 15, 1910, it is provided that account B-15, "Other working assets," shall include "advanced charges billed out on way-bills not reported received at the end of the month," and that account B-41, "Other working liabilities," shall include "prepaid charges billed out on way-bills not taken into the month's accounts."

No provision is specifically made for these items in the Classification of General Balance Sheet Accounts, effective July 1, 1914. In what accounts under the effective general balance sheet classification shall these items be included?

Answer. They shall be included respectively in accounts No. 719, "Other current assets," and No. 768, "Other current liabilities."

CASE 289.

Query. Under the special instructions applying to the classification of operating revenues of steam roads it is provided that overcharges when discovered shall be credited to balance-sheet account No. 778, "Other unadjusted credits," while the text of account No. 761, "Miscellaneous accounts payable," requires that overcharges shall be included in "Miscellaneous accounts payable." Is there not a conflict in these instructions?

Answer. It is the intent of the classifications that revenue overcharges shall be credited to account No. 778, "Other unadjusted credits."

CASE 290.

Query. In computing train switching locomotive-miles is it permissible to accumulate switching at various way stations to obtain an aggregate of 30 minutes or more on which to base mileage? See rule 6 on page 12 of the Classification of Train-Miles, Locomotive-Miles, and Car-Miles for Steam Roads.

Answer. Train switching locomotive-miles shall be computed on a cumulative basis for a day's run or trip. If, for example, a locomotive devotes 15 minutes to switching at each one of seven stations during a day's run or trip, the total time, amounting to 1 hour and 45 minutes, shall be considered as 2 hours. If 15 minutes were consumed at each one of five stations the total time shall be considered as 1 hour.

CASE 291.

Query. A train run for the accommodation of shop employees also transports a number of revenue passengers who find it convenient to use this train. Is it permissible to include the mileage of such a train in account No. 804, "Special-train miles"?

Answer. The mileage of such a train shall be included in account No. 802, "Passenger-train miles."

CASE 292.

Query. The recording of small items of passenger overcharges which are found to be unrefundable involves much refinement in accounting. Is it per-

missible to carry such items in the revenue accounts until such time as refund is actually made?

Answer. Passenger overcharges amounting to \$1 or less in any one case may be carried in the revenue accounts until refunded.

CASE 293.

Query. To what account shall be charged the cost of battery renewals and repairs to battery boxes on axle-lighted passenger equipment?

Answer. The cost of repairs to the battery boxes shall be charged to account No. 317, "Passenger-train cars—Repairs." The cost of renewals of negative and positive groups and acids shall be charged to account No. 402, "Train supplies and expenses."

INDEX BY ACCOUNTS.

ROAD AND EQUIPMENT.

Road and equipment accounts—	Case.
for building investment.....	89, 109, 141, 225, 238
for construction labor.....	21, 40, 64, 170, 194, 206, 207
for construction material.....	43, 108, 128
for construction work incidentals.....	231
for elimination of grade crossings.....	205
for equipment investment.....	227
for joint facility property.....	258
for land investment.....	136
for line investment.....	102, 103, 106, 205
for realty investment.....	104
for taxes.....	171
for track construction.....	75, 183
in general.....	1, 4, 78
Road :	
2. Land for transportation purposes.....	100, 101, 105, 142, 186, 208, 209, 210, 211, 212, 213
8. Ties.....	185
13. Right-of-way fences.....	185
15. Crossings and signs.....	186, 187, 214
16. Station and office buildings.....	190, 195, 216
17. Roadway buildings.....	40, 190, 216, 217, 218
20. Shops and enginehouses.....	112, 183, 189, 190, 217, 219, 220
25. Gas producing plants.....	221
26. Telegraph and telephone lines.....	107, 222, 223
29. Power plant buildings.....	224
32. Power distribution systems.....	225
33. Power line poles and fixtures.....	225
34. Underground conduits.....	226
35. Miscellaneous structures.....	142, 190, 216, 217, 225
36. Paving.....	215
37. Roadway machines.....	191, 192
39. Assessments for public improvements.....	228, 229
40. Revenues and operating expenses during construction.....	230
43. Other expenditures—Road.....	231
44. Shop machinery.....	219, 232
45. Power plant machinery.....	224
Equipment.....	59, 76, 89
51. Steam locomotives.....	193
53. Freight-train cars.....	40, 59, 193, 233
54. Passenger-train cars.....	140
57. Work equipment.....	234, 235
58. Miscellaneous equipment.....	236
General expenditures :	
71. Organization expenses.....	196
74. Stationery and printing.....	141
76. Interest during construction.....	177

OPERATING REVENUES.

Operating revenue accounts—	Case.
for freight revenue.....	202
for passenger overcharges.....	292
for passenger revenue.....	113
for storage of baggage.....	240
for traffic settlements with other lines.....	239, 241
for transportation of supplies.....	197
for water transfers.....	148
in general.....	1, 23, 51, 57, 65
Transportation—Rail line.....	77, 156, 282
101. Freight.....	61, 143, 144, 242, 244, 282
102. Passenger.....	46, 146, 244, 282
103. Excess baggage.....	144, 282
108. Other passenger-train.....	144, 246, 248, 282
110. Switching.....	14, 27, 198, 242, 244, 245, 282
111. Special service train.....	24, 282
112. Other freight-train.....	248, 249, 282
Transportation—Water line.....	282
Incidental.....	156, 282
131. Dining and buffet.....	58
132. Hotel and restaurant.....	151
133. Station, train, and boat privileges.....	251
135. Storage—Freight.....	155
141. Power.....	150
142. Rents of buildings and other property.....	65, 70, 94, 150
143. Miscellaneous.....	9, 35, 73, 79, 147, 152, 153, 154, 155, 252, 253, 254, 255, 256

OPERATING EXPENSES.

Operating expense accounts—	
for car cleaning.....	53, 161
for car oiling.....	53, 161, 243
for car repairs.....	243
for dining-car line.....	58
for equipment depreciation.....	76, 233, 262
for equipment repairs.....	5, 36, 111, 132, 262, 268
for equipment retirement.....	162
for expense due to accidents.....	42
for expense involving material and supply costs.....	2, 17, 42, 43, 52, 53, 55, 71, 91, 129, 132, 198, 259, 261, 262, 267
for expense involving pay-roll items.....	21, 42, 52, 53, 73, 130, 132, 170, 260, 261, 262
for freight transfer.....	14
for injuries of persons.....	42, 169
for joint facility expense.....	3, 9, 18, 23, 28, 56, 61, 66, 92, 94, 95, 158, 257, 259, 262
for joint office expense.....	130
for maintenance of leased property.....	51, 82
for maintenance of track.....	18, 28
for maintenance work.....	207
for operation of leased property.....	51, 82
for operation of line.....	55
for operation of terminal.....	95
for operation of track.....	18, 28
for salaries of officers.....	120
for shop replacement.....	89
for stationery and printing.....	238
for switching service.....	93, 262
for track depreciation.....	75
for train service.....	7, 31, 97, 261
for work done for others.....	25
for work requiring foundry castings.....	123
for yard service.....	7, 96, 97, 261
in general.....	1, 50, 51, 57, 65
Clearing accounts—	
for fuel-station operation.....	54
for material store expenses.....	6
for shop operation.....	20, 131
for water-station operation.....	158

	Case.
Maintenance of way and structures -----	4, 156
201. Superintendence-----	10
202. Roadway maintenance-----	71, 263, 264
208. Bridges, trestles, and culverts-----	62
216. Other track material-----	157, 203
227. Station and office buildings-----	153
229. Roadway buildings-----	65
231. Water stations-----	158
235. Shops and enginehouses-----	219
243. Coal and ore wharves-----	155
247. Telegraph and telephone lines-----	107
274. Injuries to persons-----	19, 110, 159
275. Insurance-----	160
277. Other expenses-----	88, 266
279. Maintaining joint tracks, yards, and other facilities—Cr-----	28, 45
Maintenance of equipment -----	77, 156
301. Superintendence-----	10, 163
302. Shop machinery-----	131, 219, 232
315. Freight-train cars—Depreciation-----	118
316. Freight-train cars—Retirements-----	59
317. Passenger-train cars—Repairs-----	164, 293
326. Work equipment—Repairs-----	227, 235
332. Injuries to persons-----	159
333. Insurance-----	160
336. Maintaining joint equipment at terminals—Dr-----	72
337. Maintaining joint equipment at terminals—Cr-----	72
Traffic -----	156
351. Superintendence-----	10
353. Advertising-----	81
356. Industrial and immigration bureaus-----	121
Transportation—Rail line -----	77, 156
371. Superintendence-----	10, 22
372. Dispatching trains-----	122
373. Station employees-----	22, 91, 114, 115, 153
375. Coal and ore wharves-----	155, 256
376. Station supplies and expenses-----	15, 126, 153
377. Yardmasters and yard clerks-----	247
382. Fuel for yard locomotives-----	12, 54
387. Other supplies for yard locomotives-----	219, 227
388. Enginehouse expenses—Yard-----	52, 167
389. Yard supplies and expenses-----	203, 227
390. Operating joint yards and terminals—Dr-----	52, 54, 67
391. Operating joint yards and terminals—Cr-----	28, 41, 45, 52, 54, 67
393. Train motormen-----	8
394. Fuel for train locomotives-----	12, 54
397. Water for train locomotives-----	158
399. Other supplies for train locomotives-----	219, 227
400. Enginehouse expenses—Train-----	52, 167
402. Train supplies and expenses-----	8, 9, 85, 91, 133, 165, 227, 293
405. Crossing protection-----	67
411. Other expenses-----	84, 166, 244, 269, 270
412. Operating joint tracks and facilities—Dr-----	67
413. Operating joint tracks and facilities—Cr-----	28, 41, 67
415. Clearing wrecks-----	125
416. Damage to property-----	4, 63
418. Loss and damage—Freight-----	30, 32
419. Loss and damage—Baggage-----	271
420. Injuries to persons-----	119, 159
Transportation—Water line:	
432. Operation of terminals-----	250
433. Incidental-----	250, 271
Miscellaneous operations:	
442. Hotels and restaurants-----	151, 168, 197
General -----	156
451. Salaries and expenses of general officers-----	10, 22, 145
452. Salaries and expenses of clerks and attendants-----	145, 272

General—Continued.

	Case.
453. General office supplies and expenses.....	145
454. Law expenses.....	134, 169, 229
457. Pensions.....	84
458. Stationery and printing.....	145
460. Other expenses.....	32, 39, 127, 196, 265, 273, 274
461. General joint facilities—Dr.....	28
462. General joint facilities—Cr.....	28

INCOME ACCOUNTS.

Income accounts—

for amortization of discount.....	172
for equipment rent.....	31, 44, 77, 84, 93, 174, 176
for hire of equipment.....	26, 116
for interest payable.....	43
for joint facility rents.....	9, 18, 23, 28, 45, 46, 92
for lease of road.....	33, 139
for locomotive rent.....	80, 72, 262
for taxes.....	171, 228
in general.....	1

Credit accounts:

503. Hire of freight cars—Credit balance.....	14, 29, 123
504. Rent from locomotives.....	135, 199
505. Rent from passenger-train cars.....	58
507. Rent from work equipment.....	273
508. Joint facility rent income.....	3, 28, 45, 46, 56, 94, 95, 176, 199, 258
509. Income from lease of road.....	51, 82
510. Miscellaneous rent income.....	149, 275, 276
511. Miscellaneous nonoperating physical property.....	173, 201
515. Income from unfunded securities and accounts.....	177
516. Income from sinking and other reserve funds.....	287
519. Miscellaneous income.....	13, 277

Debit accounts:

532. Railway tax accruals.....	3, 82, 138, 160, 228, 278, 279, 280, 281
533. Uncollectible railway revenue.....	86, 282, 285
534. Expenses of miscellaneous operations.....	173
535. Taxes on miscellaneous operating property.....	280
536. Hire of freight cars—Debit balance.....	29, 84, 118
538. Rent for passenger-train cars.....	58
540. Rent for work equipment.....	173
541. Joint facility rents.....	3, 46, 176, 258
542. Rent for leased roads.....	51, 82
544. Miscellaneous tax accruals.....	280
547. Interest on unfunded debt.....	32, 80, 137, 178, 179, 283
551. Miscellaneous income charges.....	99, 284
552. Income applied to sinking and other reserve funds.....	34
553. Dividend appropriations of income.....	180

PROFIT AND LOSS.

Profit and loss accounts—

for abandoned construction projects.....	60
for depreciation before July 1, 1907.....	76
for profit from property sales.....	102, 103
for retirements of property.....	69
in general.....	1

Credit accounts:

605. Unrefundable overcharges.....	237
606. Donations.....	163
607. Miscellaneous credits.....	47, 83, 87

Debit accounts:

615. Surplus appropriated for investment in physical property.....	183
619. Loss on retired road and equipment.....	59, 89
621. Miscellaneous debits.....	37, 38, 90, 129, 213, 286

GENERAL BALANCE SHEET.

General balance-sheet accounts—		Case.
for agencies settlements	-----	184
for commercial paper purchased	-----	88
for construction projects in suspense	-----	60
for debt expense	-----	171
for dismantled equipment	-----	11
for investment costs in suspense	-----	218
for material costs	2, 40, 43, 69, 71, 74, 117, 129, 132, 135, 198	198
for operating expenses in suspense	-----	204
for securities purchased	-----	98
for stock premium and discount	-----	78
Debit accounts:		
704. Deposits in lieu of mortgaged property sold	-----	181
705. Miscellaneous physical property	16, 173, 201	201
706. Investments in affiliated companies	-----	139
711. Special deposits	-----	287
715. Miscellaneous accounts receivable	-----	42, 59
716. Material and supplies	-----	59
719. Other current assets	-----	288
721. Insurance and other funds	-----	84, 287
722. Other deferred assets	-----	139
725. Discount on funded debt	-----	80
726. Property abandoned chargeable to operating expenses	-----	182
727. Other unadjusted debits	99, 213, 288, 289	289
Credit accounts:		
751. Capital stock	-----	78
754. Grants in aid of construction	-----	281
757. Nonnegotiable debt to affiliated companies	-----	139
761. Miscellaneous accounts payable	-----	289
770. Other deferred liabilities	-----	139
776. Accrued depreciation—Equipment	-----	59
778. Other unadjusted credits	11, 183, 184, 213	213
779. Additions to property through income and surplus	-----	183
782. Miscellaneous fund reserves	-----	84

MILEAGE.

Mileage accounts—	
in general	7, 51, 77, 97
Train-miles	7, 48, 49, 51, 68, 97
802. Passenger-train miles	291
803. Mixed-train miles	200
Locomotive-miles	7, 48, 51, 96, 97
815. Train switching locomotive-miles	815
Car-miles	7, 51, 68, 97

INDEX BY TOPICS.

A.

	Case.
Abandoned construction projects, loss on-----	60
property account inapplicable to equipment property-----	182
property credits for crossings elimination-----	205
Accident expense connected with wharf improvement-----	110
reimbursed by tenant company-----	42
<i>(See also Casualty, Damage, Injuries.)</i>	
Accountant, auditor acting as, pay and expenses of-----	22
pay of, for work on rate case statistics-----	260
Accounting officers, participation in associations of-----	120
Accounts, adjustments of, to inventory basis-----	2, 74, 76
closing of, at end of year-----	6
monthly writing up of-----	1
opening of, for operating revenues and expenses-----	57
reflection of actual transactions in-----	65, 78
Accounts receivable, debits to, for damages payable by others-----	42, 59
<i>(See also Bills.)</i>	
Adding machines, initial investment in and replacements of-----	238
investment in, during construction-----	141
Additions, donations used in construction of-----	183
pay of maintenance force when engaged on-----	207
property register for identification of-----	238
rents chargeable as part of cost of-----	136
Adjusters of claims, pay and expenses of-----	145
Adjustment of equipment investment accounts-----	76
of material accounts-----	2, 74
Advanced charges on waybills not reported-----	288
Advances by lessee to lessor for construction purposes-----	139
Advertising expense in form of contribution to a Chautauqua-----	81
Affiliated companies, advances to, for construction purposes-----	139
Agency accounts, revenue overcharges temporarily assignable to-----	184
expense for joint traffic offices, apportionment of-----	130
Agent, corporation, property held in name of-----	16, 104
general, with duties of clerk and local agent, pay and expenses of-----	22
station, shortage of, when not covered by bond-----	166
Agreement covering trackage rights, preparation and recording of-----	134
<i>(See also Contract.)</i>	
Air-brake cylinders, lubricating oil for-----	133
Allowances for loyal service during strike-----	21
Amortization of debt discount and expense on serial issues-----	172
of franchise costs-----	99
Amusement coupons unrepresented, revenue from-----	35
Angle bars used in temporary track construction-----	75
Anonymous remittances to conscience fund-----	87
Appealed case, interest on judgment pending in-----	283
Appliances, defective, judgment against carrier for-----	87
inspection of, State assessments for maintenance of-----	278
Apportionment of expense. <i>(See Distribution, Joint.)</i>	
Appraisal of equipment. <i>(See Inventory.)</i>	
Approaches to bridge, options on land for-----	60
Appropriations of dividends in form of distribution of income-----	180
of surplus derived from donations by industry-----	183
Arbitrary for terminal ferry service, additions to, at division of rates-----	113
Arrest, false, witness fees in suit against carrier for-----	88

	Case.
Assessments as differentiated from taxes.....	228
borne partly by joint user of property.....	258
compromised by carrier during suit.....	229
for cost of State inspection.....	278
for paving borne because of street occupancy.....	215
for sewers adjacent to miscellaneous physical property.....	173
Assistants of president in immediate charge of departments.....	10
Associations of officers, participation in.....	120
Assorting of scrap for sale, deduction of expense for, from sales receipts.....	71
Attorneys' fees for preparing and recording trackage agreements.....	134
Auditor with duties of general bookkeeper, pay and expenses of.....	22

B.

Baby carriages not included in baggage allowance, revenue from.....	246
Bad-order cars, transfers of lading from.....	115
Baggage checks lost, amounts collected from passengers for.....	252
losses while in check room, remuneration for.....	271
rates for matter covered by baggage allowance.....	144
rates for matter not covered by baggage allowance.....	246
storage beyond required time, termination of charges for.....	240
Balance in clearing account for material store expenses.....	6
Barber service for employees, revenues and expenses of.....	151
Bathing conveniences for employees, revenues and expenses of.....	151
Batteries of cars, battery-box repairs for.....	293
of cars, group and acid renewals for.....	293
of locomotives, battery-charging plants for.....	219
Bedding in hotels and restaurants, renewals of.....	168
Beet racks for seasonal use on cars.....	233
Betterments, pay of maintenance force when engaged on.....	207
rent chargeable as cost of.....	136
Bicycles not included in baggage allowance, revenue from.....	246
Billiard conveniences for employees, revenues and expenses of.....	151
Bills for assessment apportionable to another carrier.....	258
for expense apportionable to other carriers.....	42, 61, 67, 93
for material, interest and discount on.....	43
for work done for others, small profits from.....	25
<i>(See also Accounts receivable.)</i>	
Blocking for re-railing equipment.....	227
Boilers of battery-charging plant, maintenance of.....	219
Bolts used in temporary track construction.....	75
Bond exchange, fees collected by carrier for.....	277
interest of terminal company, payments toward, by proprietary companies.....	95
issue, compilation of data in connection with.....	286
Bonded freight, fines for improper delivery of.....	38
Bookkeeper, general, pay and expenses of auditor acting as.....	22
Brake cylinders, lubricating oil for.....	133
Brasses on cars, removal of, to prevent losses by theft.....	86
Bridge construction postponed, preliminary expenditures for.....	60
rent payable by tenant company to bridge company.....	82
repairs, temporary pile structure installed during.....	62
Bridgemen expense apportionable to other carriers.....	41
Brokers' commissions for purchasing securities of others.....	98
Buildings acquired by conversion of box cars, investment in.....	40
acquired by foreclosure, investment in.....	109
acquired in name of trustee, investment in.....	16
cleaning expense assignable to storage costs.....	91
destroyed by fire, loss on.....	89
facilities jointly owned and used, apportioned taxes for.....	279
facilities jointly used, apportionment of expense for.....	23, 56
investment at experimental farm, classification of.....	142
investment in portable structures for construction.....	231
investment, inclusion of electric-light devices in.....	225
investment, inclusion of mechanical equipment in.....	112, 188
investment, inclusion of office equipment in.....	141, 195, 238
investment, inclusion of shavings ducts in.....	220

	Case.
Buildings investment, inclusion of snow-melting tank racks in -----	216
investment, inclusion of water-supply system in-----	189, 224
investment used for battery-charging plants-----	219
investment used for material storehouses, classification of-----	190, 217
investment used for oxy-acetylene gas production-----	221
investment used for station stock pens, classification of-----	153
investment used for storage of maintenance supplies-----	217
investment used for tie-treating plant-----	218
leased to others with power furnished, rent from-----	150
protection, lawsuit expenses in connection with-----	88
repairs on houses used rent free by employees-----	65
subleased to others, rent from-----	149
<i>(See also Fuel station, Real estate, Terminal.)</i>	
Bumping posts, repairs of -----	157
Bunk houses acquired by conversion of box cars, investment in -----	40
Bunks for timekeepers engaged in construction work -----	64

C.

Cabooses, telegraphones for, installation and maintenance of -----	107
wrecking frogs for, installation of-----	193
Calculating machines, initial investment in and replacements of -----	238
investment in, during construction-----	141
Capital stock issued gratuitously, balance-sheet entries for -----	78
registration and transfer, payments to trust companies for-----	196
Car accounting officers' associations, participation in -----	120
Car inspectors, joint, pay and expenses of -----	5
Car-miles of service between mines and concentration stations -----	7
of service on tracks of another carrier-----	51, 68
of service operated by transfer crew-----	97
Carnival company transportation in mixed train, revenue from -----	248
Cars, appliances of, defective, judgment against carrier for -----	87
appliances of, State assessment for inspection of-----	278
batteries for, renewals of-----	293
beet racks for, investment in-----	233
cleaning of-----	53, 85, 161
construction of, price charges for secondhand material used in-----	108
conversion of, into bunk houses for laborers-----	40
depreciation of, when held under lease from owner-----	118
disinfection of-----	267
ditching machine mounted on, investment in-----	192
heating of-----	53, 152
hire of. <i>(See Hire.)</i>	
investment in, for hump yard service-----	235
investment in, for use in place of section handcars-----	191
investment in, inclusion of car furnishings in-----	140, 193
lighting of-----	53
loading of, at coal wharves, revenue from-----	155
lubrication of-----	53, 133, 165, 243
oiling of-----	53
repairs of, battery-box repairs includible in-----	293
repairs of, removal of brasses to prevent loss by theft includible in-----	36
repairs of, repairs and renewals of furnishings includible with-----	164
retirement of, when destroyed on foreign line-----	59, 162
telegraphones for, installation and repairs of-----	107
transfer of lading of-----	14, 115, 154
unloading of, injuries expense incident to-----	159
weighing of, revenue from-----	147
<i>(See also Equipment.)</i>	
Cash for payment of employees' wages, premiums paid to obtain -----	39
from anonymous donors of conscience money-----	87
Castings, foundry patterns for manufacture of -----	128
Casualty expense incident to joint facility operation -----	66
<i>(See also Accident.)</i>	
Cattle guard construction, ties used in -----	185
Certificates, equipment-trust, amortization of discount on -----	172

	Case.
Chautauqua deficit, contribution by carrier to offset.....	81
Claim adjusters, pay and expenses of.....	145
Claims billed against tenant company under trackage agreement.....	42
due to carrier's delay after garnishment summons.....	127
unpaid by carrier, interest and penalties on.....	32
Cleaning of cars, expense for, when done by another carrier.....	53
of cars owned by others, receipts from.....	53, 161
of dining and sleeping car exteriors.....	85
of electric lights in yards.....	247
of ice houses assignable to storage costs.....	91
of passenger cars, investment in pipe line for.....	189
Clearing account for fuel station benefiting two carriers.....	54
for material store expenses, annual closing of.....	6
for shop expenses, tool replacement assignable to.....	131
for shop operation involving work for others.....	20
for water station benefiting two carriers.....	158
Clearing wrecks, expense for, due to flood from bursting dam.....	125
Clerks at freight yard, fine due to omission by.....	38
for claims matters, pay and expenses of.....	145
of general superintendent, pay and expenses of general agent acting as.....	22
of president in direct charge of departments, pay and expenses of.....	10
of transportation superintendent of terminal company, pay of.....	114
Coal furnished by another carrier, expense for.....	53
furnished for leased restaurant service.....	15
furnished to another carrier, receipts from.....	53, 79
handling and storage at coal wharves, revenue from and expense for.....	155
purchased by carrier, freight and switching charges on.....	198
trimming on vessels of others, revenue and expense of.....	236
used for firing up locomotives.....	12
<i>(See also Fuel.)</i>	
Coal stations. <i>(See Fuel station.)</i>	
wharves, revenues from and expense for.....	79, 256
Cold storage of freight pending delivery.....	126
Collateral security, distribution of note discount over life-term of.....	80
Collection of lawful freight charges, obligation as to.....	86
of lost freight for another carrier, receipts and payments for.....	30
of scrap for sale.....	71
Combination car for passenger and freight service, train-miles of.....	200
Commercial paper. <i>(See Note, Scrip.)</i>	
Commission, State, payments by carrier toward expenses of.....	138
Commissions from agents' sales of accident insurance.....	251
to brokers for purchase of securities of others.....	98
Compensation law, deposits with State commission under provisions of.....	287
Compilation of data in connection with bond issue.....	286
of statistics for rate cases.....	260
of tariffs in construction period.....	204
Compromise of suit to enforce paying assessment.....	229
Concentration stations and mines, expense and statistics for service between.....	7
Conduits for electric wires used for general purposes.....	226
Conscience money, receipts from anonymous donors of.....	87
Construction, advances by lessees to lessor for.....	138
assessments for, incident to miscellaneous physical property.....	173
bunk houses for laborers engaged in.....	40
damage expense in connection with.....	4
donations paid to another carrier for.....	187
donations received for, from an industry benefited.....	183
engineering maintenance force assigned to, pay and expenses of.....	207
forfeitures by contractors engaged in.....	106
injuries expense in connection with.....	110
interest credits on carrier's funds used in.....	177
internal-revenue stamps purchased during.....	171
land for, classification of, when for relocation of highway.....	105
land for, classification of, when for slopes.....	100, 186
land for, rent payable on, before actual purchase.....	136
liability insurance incident to.....	206
medical services rendered during.....	194

	Case.
Construction, office equipment purchased during-----	141
office equipment purchased during-----	141
operating expenses anticipated during-----	204
operating expenses for commercial service during-----	57, 230
portable buildings for use during-----	231
postponed, preliminary expense incurred on-----	60
regrading of another's line during-----	212
relocation of another carrier's tracks during-----	101
road under, time of opening operating accounts for-----	57
secondhand material used in, price reckoning on-----	108
temporary drainage, incident to roadway maintenance-----	264
temporary, of sidings and spur tracks-----	75
temporary, when incident to bridge repairs-----	62
timekeepers engaged in, pay and outfits of-----	64
Contract, release from, in connection with land acquisition-----	211
(See also Agreement.)	
Contractors' forfeitures for failures to complete contracts-----	106
Contributions by carrier to cover deficit of Chautauqua-----	81
by carrier toward overgrade crossing of another carrier-----	187
by carrier toward relocation of highway-----	209
by Government toward grade-crossings elimination-----	205
by proprietary companies to sinking fund of terminal company-----	95
(See also Donations.)	
Conversion of bonds, fees collected for-----	277
of box cars into laborers' bunk houses-----	40
Cost reckoning for fuel distributed from point of delivery-----	124
for secondhand material used in construction-----	108
Costs. (See Court costs.)	
County scrip purchased and used in tax payments-----	83
Coupons for amusement admission, profit from noncollection of-----	35
on equipment-trust obligations matured, interest on-----	137
Court costs in paying suit compromised by carrier-----	229
in personal injury cases-----	169
in prosecution for defective appliances on cars-----	37
Crane used in improvement of wharf, injuries expense due to fall of-----	110
Cross-arms installed by carrier and jointly owned-----	223
Crossings, avoidance of, at grade, expense for-----	101, 187
elimination of, at grade, land purchased for-----	186
elimination of, by joint arrangement, investment in-----	205
flagmen at, apportionment to other carriers of pay of-----	67
grade slopes at, land purchased for-----	100
paving at, incident to paving line between tracks-----	215
power line, tower construction for-----	214
regrading of another carrier's roadway at-----	212
Crossties supporting rails at pit cattle guards, investment in-----	185
Currency for payment of employees' wages, premiums paid to obtain-----	89
Customs charges uncollectible because of omission from bill-----	269
detention of trains at border, per diem due to-----	84
fines for improper delivery due to clerk's omission-----	88
Cylinders, air-brake, lubricating oil for-----	133

D.

Damage by operation of joint facility, extraordinary expense for-----	66
by operations of tenant company at joint facility-----	42, 63, 132
by overflows of inadequate waterways-----	4
Damage claims. (See Claim.)	
Damages for failure to install electric power, release from-----	211
for false arrest of person suspected of incendiarism-----	88
Debt, nonnegotiable, to affiliated companies, advances includible in-----	139
unfunded, interest debits for discounts on-----	178, 179
Debt expense, amortization of, when on equipment-trust serial issues-----	172
internal-revenue stamp purchases includible in-----	171
research and compilation costs includible in-----	286
Defective appliances on car, judgment against carrier for-----	87
Deferred assets and liabilities, advances includible in-----	139
taxes, interest payable on-----	17
Deficit of Chautauqua, contribution of carrier to meet-----	8

	Case.
Delivery of bonded freight, customs fine for illegal.....	38
Demonstration farm, investment in outfit of.....	238
Demurrage payable by carrier for cars received on its line.....	116
uncollectible from bankrupt debtor.....	282
Departmental duties, pay and expenses of general officers having.....	10, 22
Deposits of insurance recoveries with trustees pending replacement.....	181
of securities with State commission under compensation law.....	287
Depreciation of building destroyed by fire, allowance for.....	89
of equipment, adjustment to correct insufficient charges for.....	78
of equipment destroyed, adjustments for.....	59, 89
of equipment leased by carrier from industrial owner.....	118
of locomotive used as joint equipment at terminal.....	72
of locomotives used for switching on industrial tracks.....	282
of material, allowance for, in fixing secondhand value.....	106
of temporary tracks to forests and mines.....	75
Destruction of building by fire, loss due to.....	89
of car, while on foreign line, profit from settlement for.....	162
of car while on foreign line, retirement adjustments for.....	59
of equipment, amounts owed another carrier to cover.....	11
of equipment by fire, loss due to.....	89
Dies for replacement of worn-out shop tools.....	131
Dining-car cleaning for car exteriors.....	86
furnishings, investments in.....	140
furnishings, repairs and renewals of.....	164
line for through service, operation of.....	58
rents in connection with through service.....	58
waiter, injury of, when incident to transportation.....	119
Discount on bills for material purchased, credits for.....	43
on county scrip purchased, profits derived from.....	83
on equipment-trust serial issues, amortization of.....	172
on notes, extension of, over life term of collateral.....	80
on short-term notes, option as to accounting for.....	178
on stock due to gratuitous stock distribution.....	78
on tax assessments allowed for prompt payment.....	280
Disinfection of cars used in work service.....	267
Dismantled-equipment account for amounts owed on equipment destroyed or sold.....	11
Dispatching trains, exclusion of charges for incidental aid in.....	122
Distribution of cars to mines, expenses and statistics for.....	7
of expense for crossings not joint facilities.....	67
of expense for locomotive and work-train supplies, basis for.....	50
of extraordinary expense in connection with joint facilities.....	66
(See also Joint.)	
Distribution lines. (See Power lines.)	
Ditches for maintenance, construction and cleaning of.....	264
Ditching machine temporarily mounted on car, investment in.....	192
Dividend in form of income distribution to proprietary companies.....	180
Division of freight rates, switching road's revenue from.....	242
of passenger rates, allowances in, for ferry service.....	113
of traffic revenue for terminal company's services.....	244
of traffic revenue, monthly fixed payments in lieu of.....	241
Divisional stations, investment in material storehouses at.....	190
Dogs moved under baggage tariff, revenue from.....	246
Donation of land, carrier's interest costs incident to.....	218
of special county tax in aid of construction.....	281
of tie and grading costs for industrial spur tracks.....	183
Doors, grain, injuries of employees unloading lumber for.....	159
Drains for maintenance, construction and cleaning of.....	264
Drawbridge expense apportionable to other carriers.....	41
Drills, twist, for replacement of worn-out shop tools.....	131
Dunnage boards, injuries of employees unloading lumber for.....	159
Duplicate refund of overcharge through error.....	86
Dwellings held in name of trustee, investment in.....	16
occupied by employees rent free, repairs of.....	65
on leased-line right of way, rent from sublease of.....	140

E.

	Case.
Electric-gasoline motor combination car, train-miles of -----	200
Electricians engaged on yard lights, pay of -----	247
Elimination of grade crossings, contributions by Government toward -----	205
land acquired during, for highway slopes-----	186
road relocation to avoid-----	209
Employees, allowances to, during service in military establishment -----	274
allowances to, for loyal service during strike-----	21
bunk houses for, investment in-----	40
currency for, premiums paid to obtain-----	39
dwelling used rent free by, impropriety of rent credit for-----	65
error of, claims paid for losses due to-----	270
error of, duplication of overcharge refund due to-----	86
error of, noncollection of customs charges due to-----	269
fault of, damage at joint terminal due to-----	132
injury to, by tenant carrier, settlement for-----	42
injury to, while engaged in wharf improvement work-----	110
injury to, while in dining-car service-----	119
injury to, when not on duty-----	265
injury to, while unloading carrier's lumber for storehouse-----	159
medical service for, when incident to injury during construction-----	194
omission by, fines for offense due to-----	38
pension fund for, appropriations to and charges against-----	34
personal outfits of, when in construction work-----	64
physical examination of, fees payable for-----	170
recreation facilities for, revenues and expenses of-----	151
restaurant service for, revenues and expenses of-----	151
shortage of, in excess of surety bond-----	166
toilet facilities for, revenues and expenses of-----	151
train service operated chiefly for, mileage of-----	291
<i>(See also Pay, Personal expenses.)</i>	
Employer's liability insurance, premiums for -----	206
Empty cars distributed to mines, expenses and statistics for -----	7
moved distinct from loaded movement, accounting for-----	244
Engineers, construction, pay of, for maintenance work -----	207
maintenance, pay of, for construction work-----	207
Enginehouse expense for calling train enginemen -----	167
expense for gasoline motor car supplies-----	8
expense for preparing locomotives at joint yards-----	52
investment for battery-charging plants-----	219
investment for gasoline storage plant-----	188
investment for motor of locomotive turntable-----	112
Enginemen, train, expense for calling of -----	167
Equipment, damage to, at joint terminal when done by tenant company -----	182
damage to, on carrier's tracks when done by tenant company-----	42
depreciation accruals on, retirement debits against-----	59
depreciation of, correction of insufficient charges for-----	76
depreciation of, reimbursement for, by lessee from industrial owner-----	118
destruction of, by fire, loss in excess of insurance on-----	89
improvement of, substitution of new device for-----	111
maintenance of, debits to, in connection with storehouse material-----	129, 159, 160
repairs of, joint car inspectors' pay includible in-----	5
repairs of, rerolling devices includible in-----	227
repairs to, by joint-terminal company when chargeable to tenant com- pany-----	182
repairs to, shop expense clearing account for apportionment of-----	20
replacement of, amounts owed another carrier to cover-----	11
replacement of, insurance recoveries deposited in trust pending-----	181
replacing of, on tracks after displacement by flood-----	125
retirement of, abandoned property account inapplicable to-----	182
retirement of, retirement loss debits at-----	59
taxes on, reimbursement of, by tenant companies of joint terminal-----	176
transportation of, to carrier's line when borrowed from another carrier-----	174
<i>(See also Cars, Htre, Locomotives, Rent.)</i>	

	Case.
Equipment-trust coupons matured, interest payable on-----	137
discount and debt expense, amortization of-----	172
Error of clerk, overcharge refund duplication due to-----	86
of station employee, customs charges noncollection due to-----	269
of telegraph operators, claims settlements for losses due to-----	220
Examination, physical, of employees and applicants, fees for-----	170
Excess baggage, revenue from transportation of-----	144
tariff for, revenue from matter moved under-----	246
Excursion service, delivery of equipment loaned by another carrier for-----	73
Expense accounts. (<i>See Operating expenses.</i>)	
Expenses of officers and employees. (<i>See Personal expenses.</i>)	
Experimental farm, investment in, for increasing traffic-----	142
Express cars, revenue from switching of-----	27
Extension of line, relocation of another's property in connection with-----	101
Extraordinary expense for injuries at joint facilities-----	66

F.

Failures in contract requirements, contractors' forfeitures for-----	106
False arrest, witness fees in suit against carrier for-----	88
Fares. (<i>See Passenger service.</i>)	
Farm, demonstration, investment in outfit for-----	236
experimental, investment in, for increasing traffic-----	142
Feeding of stock in transit, revenues and expenses of stock pens for-----	153
Fees of attorneys for preparing and recording trackage agreements-----	134
of carrier for exchanging bonds-----	277
of physicians for physical examination of employees and applicants-----	170
of witnesses in suit against carrier for false arrest-----	88
Fence investment debits for ties at cattle guards-----	185
Ferry service at terminal, allowance for, in division of rate-----	118
Fines. (<i>See Penalties.</i>)	
Fire insurance recoveries held by trustees pending replacement-----	181
loss on shop and equipment destroyed-----	89
loss on storehouse material for equipment maintenance-----	129
Firing up locomotives for service, supplies used in-----	12
Fixed charges of terminal company, payments toward, by proprietary companies---	95
Flagmen at crossings, apportionment of pay of, between carriers-----	67
Flat car, investment in ditching machine temporarily mounted on-----	192
Flood water, damages by, due to inadequate waterways-----	4
wreck of freight equipment by, due to bursting dam-----	125
Food supplies for public hotels and restaurants, transportation of-----	197
Foreclosure under lease, acquisition of building by-----	109
Forfeiture by contractor for fallure in construction-----	106
by lessee of building erected on land leased-----	109
Foundry patterns, assignment of cost of-----	128
Franchise for operation within city limits, amortization of costs for-----	99
Freight assembling of less-than-carload shipments, revenue from-----	245
cold storage after unloading for delivery, expense for-----	126
delivery in violation of customs regulations, fines for-----	38
handling at jointly used freight houses, receipts from-----	56
handling in coal wharf operation, revenue from and expenses of-----	155
inspection, revenue from-----	254
recovery for another carrier when lost along track, expense for-----	80
transfer at joint terminal, charges for-----	115
transfer chargeable against another, credit for-----	14
transfer from narrow-gauge cars, revenue from-----	154
trimming after transfer to vessels, revenue from-----	256
Freight cars. (<i>See Cars.</i>)	
Freight charges lawfully established, responsibility for collection and retention of---	86
on company fuel furnished to another-----	79
on company fuel received, adjustment of-----	117, 124, 196
on company material for hotel and restaurant service-----	197
on company material sold, revenue from-----	143
on maintenance material for joint facilities-----	61
on packages and articles carried on passenger trains, revenue from-----	144
(<i>See also Overcharges.</i>)	

	Case.
Freight claims. (See Claims.)	
Freight houses operated as joint facilities, receipts from.....	56
Freight revenue debits for service by terminal company.....	244
from movement of company material sold.....	143
from movement of material carried on passenger trains.....	144
from movement of material used at joint facilities.....	61
from road haul by terminal company.....	242
from service including lighterage.....	148
from service on joint facility line, division of.....	23
involving minor overcharges.....	202
Freight service between mines and concentration stations.....	7
by another road on behalf of carrier.....	241
by gasoline electric motor cars.....	200
by lumber company using carrier's line.....	49
by transfer crew operating on main line.....	97
for car delivery outside of regular yards.....	48
for carnival company moved in mixed train.....	248
for lumber company under guaranty of minimum shipment.....	249
on joint facility line.....	23
(See also Train service.)	
Frogs, wrecking, initial equipment of cabooses and locomotives with.....	193
yard outfit of.....	227
Fuel costs, adjustment for through-rate freight charges involved in.....	117
exclusion of car hire from.....	123
exclusion of carrier's freight charges from.....	124
inclusion of handling costs in.....	124
Fuel expense for firing up locomotives for service.....	12
for gasoline motor car operation in revenue service.....	8
for locomotive in both yard and terminal service.....	261
for locomotive performing switching on joint tracks.....	262
for locomotives leased to another carrier, lessor's credits for.....	135
for sleeping cars operated over carrier's line.....	165
for work-train service, basis for distribution of.....	50
for yard locomotives, basis for distribution of.....	50
Fuel station operated as joint facility, apportionment of expense for.....	54
Funded debt. (See Bond, Debt expense, Equipment-trust, Note.)	
Furniture investment for stores building.....	217
repairs at hotels and restaurants.....	168
G.	
Garnishment, claim incurred through delay of notice of.....	127
Gas for cars, building investment for production of.....	221
supply of, to one carrier by another.....	53
Gasoline electric motor cars in mixed service, train-miles of.....	200
motor cars in revenue service, operation of.....	8
storage plant for motor cars.....	188
Gathering equipment displaced by flood from bursting dam.....	125
lumber lost from train by another carrier.....	30
scrap from along line for sale.....	71
General expenses for operation of joint facilities, apportionment of.....	23
for operation of street car line.....	156
General officers having specific departmental duties, pay and expenses of.....	10, 22
Globes for electric lights at switching yards and buildings.....	225
Government fines imposed for improper delivery of bonded freight.....	33
judgment obtained for defective appliances on cars.....	37
Grade crossings. (See Crossings.)	
Grading expense for lowering another's tracks at crossing.....	212
for spur tracks to industry when borne by industry.....	183
for temporary tracks to forests and mines.....	75
Grain doors, temporary, injuries of employee unloading lumber for.....	159
Gravel rights on miscellaneous physical property, receipts from.....	201
Guaranty to cover deficit of Chautauqua, contributions under.....	81
to cover minimum shipment, revenue from.....	249
H.	
Hand tools for replacement of worn out shop tools.....	181
Handcars, section motor cars for replacement of, investment in.....	191

	Case.
Handling coal at coal wharves, revenue from-----	155
fuel before delivery at chutes, inclusion of, in fuel cost-----	124
material in stock, closing of annual balance covering cost of-----	6
shipments at jointly used freight houses, receipts from-----	56
Hauling cars. (<i>See Train services.</i>)	
Heating cars containing vegetable shipments, revenue from-----	152
Highway relocation incident to bridge construction, land acquired for-----	105
relocation to avoid grade-crossing elimination-----	209
slopes for avoidance of grade crossings, land acquired for-----	100, 186
Hire of equipment, assignment of per diem reclaims to-----	26, 29
of equipment used in joint yard operations, apportionment of-----	44
of equipment used in train service on another's tracks-----	81
of equipment used under alternate switching arrangement-----	93
of freight cars detained by customs authorities at border-----	84
of freight cars held under lease from industrial owner-----	118
of freight cars received on demurrage basis-----	116
of freight cars transporting company fuel, impropriety of charges for-----	123
of freight cars used in transferring ladings of cars-----	14
(<i>See also Rent.</i>)	
Hotel service conducted for employees-----	151
Hotels, equipment for, repairs and renewals of-----	168
equipment for, transportation charges on-----	197
supplies for, transportation charges on-----	197
Houses. (<i>See Buildings.</i>)	

I.

Ice cost, inclusion of ice-house cleaning expense in-----	91
furnished for leased restaurant service-----	15
furnished to cars of another carrier-----	53
furnished to sleeping cars operated over carrier's line-----	165
Ice houses, inclusion of cleaning of, in costs of ice-----	91
Improved device for equipment, installation expense for-----	111
Industries, freight cars leased by carrier from, payments for-----	118
locomotives leased to, with supplies furnished, credits for-----	135
log trains operated over carrier's line by, mileage of-----	49
special train run by carrier for promotion of-----	121
spur track constructed to, contributions to carrier for-----	183
switching by carrier on tracks of-----	263
temporary tracks constructed to, investment in-----	75
Injuries in connection with operation of joint facilities-----	42, 66
in connection with pay-car train operation-----	273
to dining-car waiter employed on transportation train-----	119
to engineer of crane used in wharf improvement work-----	110
to persons, court costs incident to, when borne by carrier-----	169
to persons, interest on appealed judgment for-----	283
to prospective passenger hurt by maintenance work train-----	19
to station employee on carrier's property but not on duty-----	265
to storehouse employee while unloading carrier's lumber-----	159
Inspection of perishable freight, revenue from-----	254
Inspectors of cars, pay and expenses of, when partly borne by another-----	5
pay of, when engaged partly in lubrication-----	243
tax for State maintenance of service of-----	278
Insurance allowances in accounting for fire losses on property-----	89
fund under State compensation law, deposits for-----	287
policy sales by station agents, commissions from-----	251
premiums assessed by State for employers' liability-----	206
premiums on storehouse material-----	160
recoveries deposited with trustees pending replacement-----	181
Interchange switching. (<i>See Switching.</i>)	
Interest on bills for material, income debits for payment of-----	43
on bonds, financial institutions' fees for payment of-----	284
on carrier's funds used in construction, credits for-----	177
on deferred taxes, income debits for payment of-----	179
on equipment-trust coupons matured, income debits for-----	137
on judgment pending settlement under appeal-----	283
on loss and damage claims, expense debits for-----	82

	Case.
Interest on note representing local donation to carrier.....	213
on securities deposited with State under compensation law.....	287
on terminal company bonds, proprietary companies' payments toward.....	95
on unfunded debt, discount debits to	178
on valuation, rent considered as.....	28
Interlocking plant operated as joint facility, repairs of damage to.....	63
Internal-revenue stamps required by Federal law	171
Interstate Commerce Commission, report of discount items to.....	178
Inventory basis, adjustment of equipment values to.....	78
adjustment of material accounts to	2, 74
Investment, advances includible in, when reimbursement is contingent	139
damages during construction assignable to	4
deposits includible in, when held pending replacement.....	181
<i>(See also Additions, Construction.)</i>	
Issue of bonds, research costs in connection with.....	286
of stock, registration and transfer expense incident to.....	196

J.

Joint buildings, taxes on, apportionable to another.....	279
car inspectors, carrier's proportion of pay and expenses of.....	5
drawbridge expense reimbursed by tenant companies	41
equipment, damage to, chargeable solely to tenant company at fault.....	132
equipment furnished by tenant company, compensation for.....	72
equipment, reimbursement of taxes on, by tenant companies.....	176
facilities, casualties at, distribution of extraordinary expenses for.....	66
facilities, damages at, chargeable to tenant company at fault.....	42, 63, 132
facilities improvement assessments borne partly by lessee.....	258
facilities used by tenant company not reporting to Commission.....	94
facilities used differently by participating carriers.....	257
facilities used for turning locomotives, compensation for.....	9
freight houses, carrier's receipts from operation of.....	56
poles used by carrier and telephone company, rent from.....	70
terminal, carrier's expense for transfers of car loadings at	115
terminal, distribution of lump-sum receipts from operation of.....	45
terminal, proprietary, reimbursement of expenses and fixed charges of.....	95
terminal, rent received from equipment used at.....	199
ticket agency, distribution of expense for.....	130
track maintenance billed against tenant companies.....	61
track operation by owning and tenant companies.....	18, 28, 46
track operation by tenant companies.....	3, 23
track rent from outside carrier, apportionment of.....	92
traffic expense accounts, reason for absence of.....	130
water station operated by owning company, distribution of expense for.....	158
yards, crossing flagmen at, pay of.....	67
yards, enginehouse expense apportionable partly to.....	52
yards, fuel station expense apportionable partly to.....	54
yards, hire of equipment used at, apportionment of.....	44
Judgment in damage suit for false arrest.....	88
in Federal action for defective appliances.....	87
in suit for injuries to employee when not on duty.....	265
interest accrued during stay for appeal.....	283

K.

Kitchen utensils, investment in, for dining cars.....	140
renewals of, for hotels and restaurants.....	168
repairs and renewals of, for dining cars.....	164
transportation charges on, for hotels and restaurants.....	197

L.

Labor debits for employers' liability insurance.....	206
for erecting jointly owned telegraph line.....	222
for preparing cars of another carrier.....	53, 161

	Case
Laboratory apparatus for testing, installation and renewals of.....	232
Lamps, electric, for lighting buildings.....	225
electric, for lighting switching yards.....	225
switch, maintenance of and supplies for.....	203
Land investment for construction, rents payable and receivable prior to.....	136
for experimental farm.....	142
for grade slopes at undergrade and overgrade crossings.....	100
for highway slopes to avoid grade crossings.....	184
for interest assumed on note representing donation.....	213
for regrading of another road at crossing.....	212
for release of contract provisions.....	211
for relocation of another's transmission line.....	210
for relocation of public highway.....	105, 209
for storage warehouse.....	206
representing cost of relocating another carrier's track.....	101
<i>(See also Options.)</i>	
Law expense for compromise of suit against carrier.....	229
expense for court costs in injuries cases.....	109
expense for drafting and recording trackage agreement.....	134
library investment.....	195
requirements as to live stock, expense due to.....	90, 153
<i>(See also Suit.)</i>	
Leased bridge used by sole tenant carrier, accounting for.....	82
building for storing track tools, rent for.....	206
equipment belonging to industrial owner, payments for.....	118
land recovered by foreclosure, building acquired with.....	109
locomotives furnished with supplies by lessor, distribution of receipts from.....	135
offices surrendered by lessee, consideration received for.....	47
restaurant supplies furnished by lessor carrier.....	15
right-of-way building sublet by lessee, rent from.....	149
rights for removal of sand and gravel, receipts from.....	201
road operated by another carrier on basis of division of revenue.....	51
roadway machines, rent from other carriers for.....	275
track additions by lessor, advances by lessee in aid of.....	139
track used by sole tenant carrier, rent accounting for.....	33
track used only by two tenant carriers, accounting for.....	3
yards used by sole tenant carrier, rent accounting for.....	33
<i>(See also Joint, Lessee, Lessor, Rent.)</i>	
Lessee accounting for advances to lessor with contingent reimbursement.....	139
for consideration received for surrender of office lease.....	47
for depreciation reimbursed to industrial owner of equipment.....	118
for maintenance of bridge leased from bridge company.....	82
for maintenance of track leased from another carrier.....	3, 51
for operation of bridge leased from bridge company.....	82
for operation of track leased from another carrier.....	51
for public assessments on jointly used property.....	258
for rent of bridge leased from bridge company.....	82
for rent of dwelling sublet by lessee.....	149
for rent of equipment leased from an industry.....	118
for rent of track leased from another carrier.....	3, 33, 51
for rent of yards leased from another carrier.....	33
for revenue from operation on tracks leased from another.....	51
for taxes on tracks leased from another carrier.....	3
<i>(See also Joint, Leased, Rent.)</i>	
Lessor accounting for advances from lessee with contingent reimbursement.....	139
for building acquired by foreclosure of leased ground.....	100
for maintenance of bridge used by sole tenant carrier.....	82
for maintenance of track used by lessee carriers.....	3, 51
for operation of bridge used by sole tenant carrier.....	82
for operation of track operated by lessee carrier.....	51
for public assessments on jointly used property.....	258
for receipts from sand and gravel rights.....	201
for rent of bridge used by sole tenant carrier.....	82
for rent of dwelling subleased to lessee.....	149
for rent of locomotives leased to lumber company.....	135
for rent of track used by lessee carriers.....	3, 51

	Case.
Lessor accounting for revenue from operation by lessee on track of lessor -----	51
for revenue from operation by lessee on track of lessor-----	51
for roadway machines loaned to others-----	275
for supplies furnished to and reimbursed by equipment lessee---	135
for supplies furnished to restaurant lessee-----	15
for taxes on bridge used by sole tenant carrier-----	82
for taxes on track used by lessee carriers-----	3
<i>(See also Joint, Leased, Rent.)</i>	
Liability insurance assessed by States on basis of wages -----	206
Library, law, investment in -----	195
License for placing telephone line over tracks, receipts from -----	13
Lighterage under rail-line rate, revenue from -----	148
Lighting, electric-light devices for, at switching yards and buildings -----	225
electric lights for, yard electricians engaged on-----	247
gas-producing plant for, investment in-----	221
power lines for, at switching yards-----	225
supplies for, furnished by one carrier for cars of another-----	53
underground conduits for, investment in-----	226
Linen for dining cars, investment in -----	140
for dining cars, repairs and renewals of-----	164
for hotels and restaurants, renewals of-----	168
Live stock, care of, revenues and expenses for stock pens for -----	153
claims on, pay and expenses of force in charge of-----	145
investment in, for demonstration farm-----	286
28-hour law for, penalties for violations of-----	90
Loading of coal on cars at coal wharves, revenue and expense of -----	155
of coal on vessels at wharves, trimming in connection with-----	256
of fuel prior to delivery at chutes includible in fuel costs-----	124
Locomotive-miles for freight service on main line by transfer crew -----	97
for run from shops to relieve yard locomotive-----	96
for run from yard to shops for repairs-----	96
for service between mines and concentration stations-----	7
for service operated by one carrier on tracks of another-----	51
for train switching, cumulative reckoning of-----	290
Locomotives, compensation for use of, in collecting freight lost by another carrier ...	30
depreciation of, when furnished for joint terminal by tenant company...	72
enginehouse expense for, apportionment of, among carriers concerned...	52
fuel for, when used in firing up-----	12
fuel station expense for, apportionment of, among carriers concerned...	54
investment in, when permanently assigned to switching service-----	234
operation of, for joint switching by carrier on industrial tracks-----	262
operation of, when sent from shops to relieve yard locomotive-----	96
rent of, when furnished by carrier to lumber company-----	135
rent of, when furnished by operating carrier for use at joint terminal...	199
rent of, when furnished by tenant carrier for use at joint terminal...	72
repairs of, when furnished by tenant carrier for use at joint terminal...	72
repairs of, when occasioned by maintenance use-----	268
supplies for, distribution of, to yard and work-train service-----	50
supplies for, furnished by carrier to lumber company-----	135
supplies for, furnished by one carrier to another-----	55
turning of, by one carrier for another-----	9
water station expense for, apportionment of, among carriers concerned...	158
wrecking frogs for, investment in-----	198
<i>(See also Equipment.)</i>	
Log traffic, temporary tracks for handling, depreciation of -----	75
train operated by lumber company over carrier's line, mileage statistics of----	49
Loss by abandonment of projects for which expense has been incurred -----	60
by destruction of shops and equipment by fire-----	89
by destruction of storehouse maintenance material by fire-----	129
by failure to comply with garnishment requirements-----	127
on obsolete material sold as scrap-----	17
on operation of road leased on basis of division of revenue-----	51
Loss and damage claims, interest and penalties payable on -----	32
claims, pay and expenses of force engaged on-----	145
costs due to errors of telegraph operators-----	270
expense for parcels lost from check room-----	271

	Case.
Laboratory apparatus for testing, installation and renewals of.....	232
Lamps, electric, for lighting buildings.....	225
electric, for lighting switching yards.....	225
switch, maintenance of and supplies for.....	203
Land investment for construction, rents payable and receivable prior to.....	136
for experimental farm.....	142
for grade slopes at undergrade and overgrade crossings.....	100
for highway slopes to avoid grade crossings.....	186
for interest assumed on note representing donation.....	213
for regrading of another road at crossing.....	212
for release of contract provisions.....	211
for relocation of another's transmission line.....	210
for relocation of public highway.....	105, 209
for storage warehouse.....	208
representing cost of relocating another carrier's track.....	101
<i>(See also Options.)</i>	
Law expense for compromise of suit against carrier.....	229
expense for court costs in injuries cases.....	169
expense for drafting and recording trackage agreement.....	134
library investment.....	195
requirements as to live stock, expense due to.....	90, 153
<i>(See also Suit.)</i>	
Leased bridge used by sole tenant carrier, accounting for.....	82
building for storing track tools, rent for.....	266
equipment belonging to industrial owner, payments for.....	118
land recovered by foreclosure, building acquired with.....	109
locomotives furnished with supplies by lessor, distribution of receipts from.....	135
offices surrendered by lessee, consideration received for.....	47
restaurant supplies furnished by lessor carrier.....	15
right-of-way building sublet by lessee, rent from.....	149
rights for removal of sand and gravel, receipts from.....	201
road operated by another carrier on basis of division of revenue.....	51
roadway machines, rent from other carriers for.....	275
track additions by lessor, advances by lessee in aid of.....	139
track used by sole tenant carrier, rent accounting for.....	33
track used only by two tenant carriers, accounting for.....	3
yards used by sole tenant carrier, rent accounting for.....	33
<i>(See also Joint, Lessee, Lessor, Rent.)</i>	
Lessee accounting for advances to lessor with contingent reimbursement.....	139
for consideration received for surrender of office lease.....	47
for depreciation reimbursed to industrial owner of equipment.....	118
for maintenance of bridge leased from bridge company.....	82
for maintenance of track leased from another carrier.....	3, 51
for operation of bridge leased from bridge company.....	82
for operation of track leased from another carrier.....	51
for public assessments on jointly used property.....	258
for rent of bridge leased from bridge company.....	82
for rent of dwelling sublet by lessee.....	149
for rent of equipment leased from an industry.....	118
for rent of track leased from another carrier.....	3, 33, 51
for rent of yards leased from another carrier.....	33
for revenue from operation on tracks leased from another.....	51
for taxes on tracks leased from another carrier.....	3
<i>(See also Joint, Leased, Rent.)</i>	
Lessor accounting for advances from lessee with contingent reimbursement.....	139
for building acquired by foreclosure of leased ground.....	109
for maintenance of bridge used by sole tenant carrier.....	82
for maintenance of track used by lessee carriers.....	3, 51
for operation of bridge used by sole tenant carrier.....	82
for operation of track operated by lessee carrier.....	51
for public assessments on jointly used property.....	258
for receipts from sand and gravel rights.....	201
for rent of bridge used by sole tenant carrier.....	82
for rent of dwelling subleased to lessee.....	149
for rent of locomotives leased to lumber company.....	135
for rent of track used by lessee carriers.....	3, 51

	Case.
Lessor accounting for revenue from operation by lessee on track of lessor.....	51
for revenue from operation by lessee on track of lessor.....	51
for roadway machines loaned to others.....	275
for supplies furnished to and reimbursed by equipment lessee....	135
for supplies furnished to restaurant lessee.....	15
for taxes on bridge used by sole tenant carrier.....	82
for taxes on track used by lessee carriers.....	8
<i>(See also Joint, Leased, Rent.)</i>	
Liability insurance assessed by States on basis of wages.....	206
Library, law, investment in.....	195
License for placing telephone line over tracks, receipts from.....	13
Lighterage under rail-line rate, revenue from.....	148
Lighting, electric-light devices for, at switching yards and buildings.....	225
electric lights for, yard electricians engaged on.....	247
gas-producing plant for, investment in.....	221
power lines for, at switching yards.....	225
supplies for, furnished by one carrier for cars of another.....	53
underground conduits for, investment in.....	226
Linen for dining cars, investment in.....	140
for dining cars, repairs and renewals of.....	164
for hotels and restaurants, renewals of.....	168
Live stock, care of, revenues and expenses for stock pens for.....	158
claims on, pay and expenses of force in charge of.....	145
investment in, for demonstration farm.....	236
28-hour law for, penalties for violations of.....	90
Loading of coal on cars at coal wharves, revenue and expense of.....	155
of coal on vessels at wharves, trimming in connection with.....	256
of fuel prior to delivery at chutes includible in fuel costs.....	124
Locomotive-miles for freight service on main line by transfer crew.....	97
for run from shops to relieve yard locomotive.....	96
for run from yard to shops for repairs.....	96
for service between mines and concentration stations.....	7
for service operated by one carrier on tracks of another.....	51
for train switching, cumulative reckoning of.....	290
Locomotives, compensation for use of, in collecting freight lost by another carrier..	30
depreciation of, when furnished for joint terminal by tenant company..	72
enginehouse expense for, apportionment of, among carriers concerned..	52
fuel for, when used in firing up.....	12
fuel station expense for, apportionment of, among carriers concerned..	54
investment in, when permanently assigned to switching service.....	234
operation of, for joint switching by carrier on industrial tracks.....	262
operation of, when sent from shops to relieve yard locomotive.....	96
rent of, when furnished by carrier to lumber company.....	135
rent of, when furnished by operating carrier for use at joint terminal..	199
rent of, when furnished by tenant carrier for use at joint terminal..	72
repairs of, when furnished by tenant carrier for use at joint terminal..	72
repairs of, when occasioned by maintenance use.....	268
supplies for, distribution of, to yard and work-train service.....	50
supplies for, furnished by carrier to lumber company.....	135
supplies for, furnished by one carrier to another.....	55
turning of, by one carrier for another.....	9
water station expense for, apportionment of, among carriers concerned..	158
wrecking frogs for, investment in.....	198
<i>(See also Equipment.)</i>	
Log traffic, temporary tracks for handling, depreciation of.....	75
train operated by lumber company over carrier's line, mileage statistics of....	49
Loss by abandonment of projects for which expense has been incurred.....	60
by destruction of shops and equipment by fire.....	89
by destruction of storehouse maintenance material by fire.....	129
by failure to comply with garnishment requirements.....	127
on obsolete material sold as scrap.....	17
on operation of road leased on basis of division of revenue.....	51
Loss and damage claims, interest and penalties payable on.....	32
claims, pay and expenses of force engaged on.....	145
costs due to errors of telegraph operators.....	270
expense for parcels lost from check room.....	271

	Case.
Lubricants for air brake cylinders on cars.....	133
for gasoline motor cars in revenue train service.....	8
for locomotives performing both train and yard service.....	261
furnished by one carrier to cars of another carrier.....	53
furnished to sleeping cars operated over carrier's line.....	165
Lubrication, car inspector engaged partly in, pay of.....	243
Lumber, recovery of, when lost as freight of another carrier.....	30
unloading of, injuries of employee while engaged on.....	159
Lumber company payments for locomotives leased and supplies furnished by carrier.....	135
payments under guaranty of minimum traffic.....	249
train operated over carrier's line, mileage of.....	49
M.	
Machine work, replacement of tools used in.....	131
Machinery, power plant, well pumps includible in.....	224
shop, battery-charging apparatus includible in.....	219
shop, testing laboratory apparatus includible in.....	232
Machines, calculating and typewriting, installation and renewals of.....	238
calculating and typewriting, purchased during construction.....	141
farm, for equipment of demonstration farm.....	236
roadway, investment in.....	191, 192
Maintenance apportionment to tenant carriers holding trackage rights. 3, 23, 28,	42, 46, 61, 92
apportionment to tenant carrier not reporting to Commission.....	94
apportionment to tenant carriers using terminal facilities.....	45, 56
apportionment to tenant carrier using water station.....	158
engineering force engaged in construction, pay of.....	207
expense for battery-charging plants.....	219
expense for coal wharves.....	155
expense for ditches of roadway.....	264
expense for motor cars in hump yards.....	235
expense for oiling of roadbed.....	263
expense for sewers adjacent to miscellaneous physical property.....	173
expense for stock pens at stations.....	153
expense for street car lines.....	156
expense for telegraphones of cabooses.....	107
material destroyed by fire, loss on.....	129
material, injuries incurred by employee during unloading of.....	159
material, insurance premiums on.....	160
reimbursement to agent carrier furnishing line equipment.....	77
reimbursement to bridge company by sole tenant carrier.....	82
reimbursement to tenant carrier furnishing terminal equipment.....	72
reimbursement to tenant carrier using tracks.....	18, 51
service by construction engineers, pay for.....	207
service by transportation locomotives, repairs incident to.....	268
service for commercial operations during construction.....	230
storehouses, furniture and fixtures for.....	217
storehouses, investment in.....	190, 217
work equipment, rent payable and receivable for.....	175
work train, injuries by, to prospective passenger.....	19
(See also <i>Renovals, Repairs.</i>)	
Manager, traffic, pay of, prior to actual operations.....	204
Material accounting adjustments to basis of inventory.....	2, 74
accounting for secondhand use in car construction.....	108
bills, interest and discount on.....	43
destroyed by fire, loss incurred on.....	129
expense incident to cleaning and oiling cars of another carrier.....	161
expense incident to damages caused by another carrier.....	42, 182
expense incident to enginehouse service for another carrier.....	52
furnished by one carrier to another carrier.....	55
furnished to sleeping cars operated over carrier's line.....	165
insurance premiums.....	160
salvaged from car destroyed on foreign line.....	59
salvaged from cars converted into bunk houses.....	40
salvaged from spur track originally charged to operating expenses.....	69

	Casa.
Material sold as scrap, loss on -----	17
sold as scrap, receipts from the gathering of-----	71
store expenses, closing of balance for-----	6
storehouses, investment in-----	190
taxes-----	160
transportation chargeable against joint users of track-----	61
transportation chargeable against purchasers-----	148
used by timekeepers engaged on construction work-----	64
<i>(See also Supplies.)</i>	
Medical services for employee injured during construction -----	194
Mileage for car delivery movements outside of regular yard -----	48
for employees' train carrying revenue passengers-----	291
for log train operated over carrier's line by lumber company-----	49
for mixed service by gasoline-electric motor combination car-----	200
for relief run from shops to point of service-----	96
for run from point of service to shops for repairs-----	96
for service between mines and concentration stations-----	7
for service operated by one carrier on tracks of another-----	51, 68, 77
for service operated on main line by transfer crew-----	97
for switching intermittently during day's run-----	290
used as basis for distribution of yard locomotive and work-train supplies--	50
Military service by employees, allowances for -----	274
Mines, service to, operating expense and mileage statistics for -----	7
temporary tracks to, investment in and depreciation of-----	75
Miscellaneous operations, sewer assessments assignable to -----	173
Miscellaneous physical property, investment in, when held by trustee -----	16
sand and gravel rights on, receipts from-----	201
sewers adjacent to, assessments for-----	173
Misrouting error, uncollectible undercharges due to -----	250
Mixed-train mileage of motor combination car in mixed service -----	200
revenue from movement of carnival company cars-----	248
Mortgaged property, deposits in lieu of -----	181
Motor cars, gasoline-electric, mileage of, when in mixed service -----	200
gasoline, operation of, in revenue service-----	8
hump yard, installation and maintenance of-----	235
section, investment in, for replacement of handcars-----	191
Motormen, pay of, when operating gasoline motor cars -----	8
Motors of locomotive turntables, installation and replacement of -----	112

N.

National Guard, allowance to employees during service in -----	274
Nonnegotiable debt to affiliated companies, advances includible in -----	139
Note discount, distribution of, over term of collateral -----	80
option as to accounting for-----	178

O.

Obsolete material sold as scrap, loss on -----	17
Office building investment, library includible in -----	195
employees. <i>(See Clerks, Employees, Pay.)</i>	
expenses of claims force-----	145
expenses of joint traffic office-----	180
lease, consideration received for surrender of-----	47
machines for calculating and typewriting-----	141, 238
Officers, associations of, expense for participation in -----	120
claims, pay and expenses of-----	145
general, with departmental duties, pay and expenses of-----	10, 22
incidental services of, impropriety of charges for-----	134
traffic, engaged prior to actual operations, pay of-----	204
Oil for firing up locomotives for service, fuel expense for -----	12
for lighting of cars of another carrier-----	53
for lubrication of air-brake cylinders, supply expense for-----	133
for lubrication of cars of another carrier-----	53
for switch lamps, supply expense for-----	208

Personal expenses of claims officers and staff.....	Case. 145
of construction engineer engaged on maintenance.....	207
of general officers having departmental duties.....	10, 22
of joint car inspectors.....	5
of maintenance engineer engaged on construction.....	207
of officers holding membership in associations.....	120
Personal injuries expense. (<i>See Injuries.</i>)	
Physical examination of employees and applicants, fees for.....	170
Physicians' fees for physical examinations.....	170
Picnic train revenue based on number of cars used.....	24
Pile structure temporarily used for bridge, construction of.....	62
Pipe for conveying shavings from shop machines.....	220
for conveying water to passenger-car yards, investment in.....	189
Pit cattle guards, ties used in construction of.....	185
Poles, power line, for lighting switching yards.....	225
telegraph, carrier's part ownership of cross-arms on.....	223
telephone, rent from occupancy of right of way by.....	276
trolley, rent from joint use of, by telephone company.....	70
Pool conveniences for use of employees, revenues and expenses of.....	151
Portable buildings used in construction work.....	231
Posts, bumping, repairs of.....	157
Power furnished under lease of station property, receipts from.....	150
Power line, installation of, for lighting switching yards.....	225
relocation of, incident to construction.....	210
towers for, to carry line over track.....	214
underground conduits for, investment in.....	226
Power plant, well and pumps installed for.....	224
Premiums for insurance of storehouse material stock.....	160
on currency obtained to pay employees.....	39
Prepaid charges billed out on waybills not reported.....	288
President having direct charge of departments, pay and expenses of.....	10
Price reckoning for secondhand material used in car construction.....	108
Printing of tariffs prior to actual operations.....	204
Privilege of cultivating portions of right of way.....	276
of parking cars on carrier's tracks.....	253
of placing telephone pole line on right of way.....	276
of placing telephone wires over tracks, receipts from.....	13
of sale of insurance through carrier's agents.....	251
of use of carrier's poles by telephone company, receipts from.....	70
Profit and loss adjustment for line property sold to another carrier.....	102, 103
adjustment to correct insufficient depreciation.....	76
credit for retirement of track charged to operating expense.....	69
debit for expense incident to abandoned bond issue.....	286
debit for interest incident to abandoned projects.....	213
debit for preliminary expense of construction abandoned.....	60
Profits from additions to bills to cover overhead expense.....	25
from coal furnished to another carrier.....	79
from purchase of county scrip to be tendered for taxes.....	83
from settlement of loss on car destroyed on foreign line.....	162
Promotion of industries along line, special train for.....	121
Pump for gasoline storage tank, investment in.....	188
for well at power plant, investment in.....	224
Purchase of securities of other companies, brokers' commissions for.....	98

R.

Racks for beet shipments on cars, investment in and depreciation of.....	233
for snow-melting tanks, investment in.....	216
Railing at switch stand for safety of trainmen.....	216
Rails used in temporary track construction.....	75
Railway commission, State, payments toward expenses of.....	138
Rate case statistics, pay of employees and others engaged on.....	260
Real estate purchased in names of agents, investment in.....	104
receipts from sand and gravel rights.....	201
(<i>See also Buildings, Land.</i>)	

	Case.
Reclaims of per diem, assignment of, to hire of equipment.....	26, 29
Recording of trackage agreement, fees paid for.....	134
Records sold as scrap paper, revenue from.....	255
Reflectors for electric lights of switching yards and buildings.....	225
Refund of overcharges by deduction from freight revenue.....	202
paid in duplicate and irrecoverable.....	86
Registration of capital stock.....	196
Release of contract by surrender of office lease.....	47
incident to acquisition of land.....	211
Relief locomotive, expenses and mileage of, for run to point of service.....	96
Relocation of highway to avoid grade-crossing elimination.....	200
of public highway to obtain bridge site.....	105
of track of another carrier to avoid grade crossings.....	101
of transmission line to clear right of way.....	210
Removal of brasses from cars to prevent theft.....	86
of equipment device superseded by improved form.....	111
of wharf parts during improvement work, injuries incident to.....	110
Renewals of battery supplies for passenger cars.....	293
of dining-car equipment.....	164
of hotel and restaurant equipment.....	168
of laboratory apparatus for testing purposes.....	232
of rerailing devices for equipment.....	227
of switch lamps.....	203
Rent for cars transporting company fuel, impropriety of charges for.....	123
for equipment leased from industrial owner.....	118
for equipment used in joint yard operation.....	44
for equipment when in form of delivery costs to borrower.....	174
for house used for storing track tools.....	266
for land leased prior to actual purchase.....	136
for locomotives used at jointly operated terminals.....	72
for road operated solely by tenant carrier.....	51
for tracks when paid in form of construction advances.....	139
from dwelling occupied rent free, impropriety of credits for.....	65
from dwelling subleased by lessee of right of way where located.....	140
from freight houses operated as joint facilities.....	56
from joint facility used by carrier not reporting to Commission.....	94
from leased land sublet prior to actual purchase.....	136
from locomotives leased to lumber company.....	135
from locomotives performing switching on industrial tracks.....	262
from locomotives used at jointly operated terminals.....	72, 199
from poles of carrier jointly used by telephone company.....	70
from right of way uses by others.....	276
from roadway machines loaned to other carriers.....	275
from station property leased for warehouse use.....	150
from terminal-company facilities used by tenant proprietary companies.....	95
from tracks when received in form of construction advances.....	139
of bridge used by sole tenant carrier.....	82
of equipment furnished by agent carrier for train service.....	77
of equipment used for through dining-car service.....	58
of equipment used under alternate switching arrangement.....	93
of equipment when in form of taxes reimbursed.....	176
of joint facility, public assessment borne partly by lessee as.....	258
of line jointly used by owning and tenant carrier.....	18, 23, 28, 46
of locomotive used to gather lost freight of another carrier.....	30
of terminal facilities used jointly by operating and tenant carrier.....	45
of track used as joint facility and by outside carrier.....	92
of track used solely by tenant carrier.....	8, 33
of trains operated by one carrier on line of another.....	31
of work equipment used in maintenance and operation.....	175
of yards used solely by tenant carrier.....	33
unpaid on foreclosed property, relation of investment charges to.....	109
Repainting of switch stands.....	157
Repairs of bridge, temporary pile structure incident to.....	62
of bumping posts.....	157
of cars, removal of brasses assignable to.....	86
of damage by tenant carrier at joint facility.....	63, 1

	Case.
Repairs of dining-car furnishings	164
of equipment, car inspectors' pay assignable to	243
of equipment, joint car-inspectors' pay and expenses assignable to	5
of equipment, rerailing devices assignable to	227
of equipment, segregation of, by shop clearing accounts	20
of equipment, substitution of devices assignable to	111
of hotel and restaurant furniture	168
of laboratory apparatus for testing purposes	232
of locomotive used at joint facility, apportionment of	72, 262
of locomotives used as work equipment	268
of locomotives used both in transportation and maintenance	268
of motor cars used in hump yards	235
of passenger-car battery boxes	293
of roadway dwelling occupied rent free by employees	65
of switch lamps	203
of telegraphones for cabooses	107
(See also <i>Renewals, Maintenance.</i>)	
Replacement of calculating and typewriting machines	238
of equipment after destruction by fire, retirement accounting incident to	89
of equipment, amounts owed to another carrier for	11
of equipment, insurance recoveries held in trust pending	181
of handcars, investment in section motor cars for	191
of shops after destruction by fire, retirement accounting incident to	89
of worn-out tools, shop devices purchased for	131
Rerailing devices for cars and for yards	227
Reserve for depreciation, retirement credits to	59
for pensions	34
Restaurant equipment, renewals and repairs of	168
equipment, transportation charges on	197
service conducted for employees, revenues and expenses of	151
supplies furnished by carrier to lessee of service	15
supplies, transportation charges on	197
Resting of stock in transit, stock pens at stations for	153
Retirement of car destroyed on foreign line	59, 162
of equipment destroyed by fire	89
of equipment, impropriety of abandoned property accounting for	182
of notes and bond collateral differing in life terms	80
of property affected by grade-crossing elimination	205
of shop destroyed by fire	89
of spur track originally charged to operating expenses	69
Revenue credits for amusement coupons unrepresented	35
credits for transportation of material used by others	61, 143
credits improper for dwellings occupied rent free	65
credits limited to amounts actually earned	65
division as payment of rent for facilities	23, 46, 51
division for ferry service in through movement	113
division for supplementary train service	241, 242
division for terminal yard service	242, 244
division on train-mile basis	146
from assembling l. c. l. freight at terminal	245
from coal wharves	155
from facilities jointly used by carrier not reporting to Commission	94
from guaranty of minimum traffic by lumber company	249
from heating cars containing vegetable shipments	152
from inspection of perishable freight	254
from lighterage performed under tariff rates	148
from operation of carrier's road by another as agent	77
from overcharge proportion below minimum	239
from parking of cars on carrier's tracks	253
from penalty collections for lost baggage checks	252
from poles used jointly by telephone company	70
from restaurant and other conveniences for employees	151
from sale of accident insurance by agents	251
from sale of coal to another carrier	79
from sale of power to lessee of station property	150

	Case.
Revenue from sale of waste paper and old records.....	255
from station property leased for warehouse.....	150
from stock pens at stations.....	153
from street car line.....	156
from switching service.....	14, 27, 242, 244, 245
from through dining-car line.....	58
from trains for picnic service.....	24
from transfer of freight.....	154
from transportation of carnival outfit on mixed train.....	248
from transportation of carrier's hotel and restaurant equipment and supplies.....	197
from transportation of equipment loaned to another carrier.....	73
from transportation of packages, etc., on passenger trains.....	144
from transportation of passengers on joint facility track.....	46
from trimming coal transferred to vessels of others.....	256
from turning of locomotives for another carrier.....	9
from water transfers, limitation of, to specific rates.....	148
from weighing cars.....	147
Revenue stamps required by law.....	171
Right of way acquisition, costs incident to.....	210, 211, 212
dwellings, rent from.....	65, 149
dwellings, repairs of.....	65
fences, cattle-guard tie costs includible in.....	185
land held in names of agents, investment in.....	104
land used by others, rent from.....	276
slopes, land purchased for.....	100, 186
Road of carrier, investment credits for sale of portions of.....	102, 108
Roads, highway. (<i>See Crossings, Highway.</i>)	
Roadway buildings, investment in.....	40, 190, 216, 217, 218
buildings, repairs of.....	65
machines, investment in.....	191, 192
machines, rent from loan of.....	275
maintenance, ditch construction for.....	264
maintenance, oiling expense for.....	268

S.

Salaries. (*See Pay.*)

Sale of accident insurance by agents, commissions from.....	251
of coal to another carrier, revenue from.....	79
of interest in whole or part of line, investment credits for.....	102, 108
of material, transportation charges incident to.....	143
of power to lessee of station property.....	150
of scrap material.....	17, 71
of short-term notes secured by bond collateral.....	80
of waste paper and old records, revenue from.....	255
Salvage from box cars converted to bunk houses.....	40
from equipment destroyed by fire.....	89
from pile structure used as temporary bridge.....	62
from shop destroyed by fire.....	89
from spur track originally charged to operating expense.....	69
Sand rights on miscellaneous physical property, receipts from.....	201
Scrap material sold, accounting for.....	17, 71, 255
Scrip, county, purchased for use in tax payments.....	88
Secondhand material for construction, price reckoning for.....	108
Section motor cars to replace handcars, investment in.....	191
Securities, commissions paid for purchase of.....	98
deposits of, with State commission under compensation law.....	287
(<i>See also Bond, Capital Stock.</i>)	
Sewers adjacent to miscellaneous physical property, assessment for.....	178
Shop investment, battery-charging plants assignable to.....	219
investment, gasoline-storage plant assignable to.....	188
investment, laboratory apparatus assignable to.....	232
investment, locomotive turntable motor assignable to.....	112
investment, material storehouses assignable to.....	190, 217
investment, shavings-conveying pipes assignable to.....	220
investment, water-pipe line assignable to.....	181

	Casa.
Shop lighting, gas-producing plants for.....	221
retirement accounting after destruction by fire.....	89
timekeepers, pay of.....	163
work for another carrier, clearing account for segregation of.....	20
Short-term notes. (<i>See Note.</i>)	
Shortage of station agent in excess of surety bond.....	166
Sidings for forest and mine freight, installation and depreciation of.....	75
Silverware of dining cars, investment in.....	140
repairs and renewals of.....	164
Sinking fund of terminal company, payments toward, by proprietary companies.....	95
Sleeping cars, cleaning of exterior.....	85
supplies for, when operated over carrier's line.....	165
Slopes in connection with highway crossings, land for.....	100, 186
Snow removal, racks for supporting tanks for.....	216
Sold equipment, amount owed another carrier for replacement of.....	11
property, deposits for, insurance recoveries assignable to.....	181
Special assessment for sewers at miscellaneous physical property.....	173
service train revenue from picnic train.....	24
train for promotion of industries along line, expense for.....	121
Spur track, construction advances by lessee of, when reimbursement is contingent.....	139
installation and depreciation of, when construction is temporary.....	75
investment in, when borne partly by industry benefited.....	183
retirement of, when originally charged to operating expenses.....	69
Stamps, internal-revenue, chargeable against carrier.....	171
State inspector of safety devices, assessments for maintenance of.....	278
railway commission, payments toward expenses of.....	138
Station, joint facility, accounting for.....	23, 259
portion of, leased with power furnished, receipts from.....	150
restaurant at, supplies furnished to lessees of.....	15
snow-removal tank racks at.....	216
stock pens at, revenues and expenses of.....	153
storehouses at, investment in.....	190
(<i>See also Fuel station, Water station.</i>)	
Station employees, expense assignable to, for stock-pen operation.....	153
expense assignable to, for transfers of car loadings.....	115
general agent acting as, pay and expenses of.....	22
sales of accident insurance by, revenue from.....	251
shortage of, when in excess of surety bond.....	166
superintendent and clerks acting as, pay of.....	114
Station expenses for cold storage of freight pending delivery.....	126
for stock-pen operation.....	153
for supplies furnished to restaurant lessees.....	15
Stationery investment, office equipment assignable to.....	141, 238
Statistics for bond issue, compilation of.....	286
for rate cases, pay of force engaged on.....	200
of car-miles.....	7, 51, 77, 97
of freight traffic.....	23
of locomotive-miles.....	7, 51, 77, 97
of passenger traffic.....	28, 51, 77, 146
of ton-miles.....	7, 51
of train-miles.....	7, 49, 51, 68, 77, 97
(<i>See also Mileage.</i>)	
Stock. (<i>See Capital stock, Live stock.</i>)	
Stock pens at stations, revenues and expenses of.....	153
Storage of cars, removal of brasses in connection with.....	36
of coal at coal wharves, revenues and expenses of.....	155
of freight pending delivery, expense for.....	126
of gasoline for motor cars, investment in plant for.....	188
office at ice houses, cleaning expense assignable to.....	91
of private and chartered cars on carrier's tracks, revenue from.....	253
of track tools, rent for house used for.....	266
of unclaimed baggage beyond required time, charges for.....	240
Store expense, annual closing of clearing account balance for.....	6
apportionment of, to tenant carriers of joint tracks.....	61
Storehouse employees, injuries of, while unloading carrier's lumber.....	159
stock, insurance and taxes on.....	160

	Case.
Storehouses for railway material, investment in.....	190, 217
Stores. (<i>See Material, Supplies.</i>)	
Street car line operated by steam road, revenues and expenses of.....	156
crossings. (<i>See Crossings.</i>)	
occupancy, paving costs incident to.....	215
Strike, payments to employees for loyal service during.....	21
Strips, sugar, injuries of employee unloading lumber for.....	159
Structures, miscellaneous, investment in.....	142, 190, 216, 217, 225
Subprimary accounts for street car operations.....	156
Sugar strips, injuries of employee unloading lumber for.....	159
Suit in false arrest case against carrier, judgment and fees in.....	88
on account of defective appliances on cars, judgment and costs in.....	87
to enforce paving assessment, compromise of.....	229
(<i>See also Law.</i>)	
Superintendence expense, apportionment of, to others.....	61
pay and expenses assignable to.....	10, 22, 163
profits on bills covering.....	25
Superintendent, dwelling for, investment in, when held by trustee.....	16
pay of, prior to actual operations.....	204
pay of, when performing station service.....	114
pay of, when responsible for local management.....	22
Supervision of departments by general officer.....	10
Supplies for equipment, rerailing devices includible in.....	227
for gasoline motor cars.....	8
for hotels and restaurants, transportation of.....	197
for locomotives, battery-charging costs includible in.....	219
for locomotives engaged in both train and yard service.....	261
for locomotives operated by carrier on industry tracks.....	262
for station operated as joint facility.....	259
for station restaurants operated by lessees.....	15
for stock pens at stations.....	153
for switch lamps.....	203
for train operation.....	9, 85, 133, 165
for yard locomotive and work-train service, cost distribution for.....	50
for yards, wrecking wedges and frogs includible in.....	227
furnished to another carrier.....	53, 55, 79, 135
(<i>See also Material.</i>)	
Surety bond, station agent's shortage in excess of.....	166
Surplus appropriated for investment, donations assignable to.....	183
Surrender of contract. (<i>See Release.</i>)	
Suspense account for debt expense incident to projected bond issue.....	286
for franchise with 20-year life term.....	99
for interest incident to projected investment.....	213
for operating expense prior to actual operation.....	204
for postponed construction.....	60
Switch lamps, maintenance and supplies of.....	203
stand, railing at, for protection of trainmen.....	216
stands, repainting of.....	157
yards. (<i>See Yard.</i>)	
Switches, snow removal from, structures incident to.....	216
used in temporary track construction.....	75
Switching charges by carrier on company fuel, adjustment of.....	198
expenses for locomotive engaged in both train and yard service.....	261
locomotive movement incident to repairs, expenses and statistics of.....	96
locomotives furnished by tenant carrier on joint facility line, payment for.....	72
mileage computation for intermittent service.....	290
revenue from assembling l. c. l. shipments.....	245
revenue from express car movements.....	27
revenue from movement for transfer of lading.....	14
service at mines, expense and statistics of.....	7
service at shops and storehouses, commercial locomotives assigned to ..	234
service by carrier on joint facility tracks.....	262
service for car delivery outside regular yards, mileage of.....	48
service for making and breaking trains.....	244
service incident to weighing cars, receipts from.....	147

Switching road accounting for per diem charges and reclaims.....	Case. 29
accounting for reimbursements by proprietary carriers.....	95
revenue from rate division in addition to switching charges.....	242

T.

Tables for dining cars, investment in	140
Tableware for dining cars, investment in.....	140
for dining cars, repairs and renewals of.....	164
for hotels and restaurants, renewals of.....	168
Tanks of gasoline storage plant, investment in.....	188
of snow-melting apparatus, racks for.....	216
Taps for replacement of worn-out shop tools.....	131
Tariff compilation and printing prior to actual operations.....	204
Taxes billed against carrier for building jointly owned and used.....	279
borne by lessor of railway facilities.....	33, 82
borne for general tax levy to furnish donation to carrier.....	281
deferred, interest payable on.....	179
discount for prompt payment.....	280
distinguished from public assessments.....	228
paid with county scrip, profit in connection with.....	83
payable as contribution to State railway commission expenses.....	138
payable for support of State inspection of car devices.....	278
payable on storehouse material stock.....	160
reimbursed by tenant carriers of joint terminal facilities.....	56, 176
reimbursed by tenant carriers of leased tracks.....	3
represented by internal-revenue stamps purchased.....	171
Telegraph line built jointly by carrier and telegraph company, investment in.....	222
operators' errors, claims settlements for.....	270
operators, incidental services of, in train dispatching.....	122
operators' pay when serving both general and departmental offices.....	272
service operated jointly, accounting for.....	23
Telegraphones, installation and maintenance of	107
Telephone cross arms on telegraph company poles, joint ownership of.....	223
line locations by others, receipts from privileges of	13, 70
pole line occupying carrier's right of way, rent from.....	276
Temporary ditching for roadway maintenance	264
grain doors, injuries of employee unloading lumber for.....	159
pile structure during bridge repairs, construction cost of.....	62
tracks to forests and mines, installation and depreciation of.....	75
Tenant companies' accounts. (See Lessee.)	
Tents for timekeepers engaged on construction work.....	64
Terminal, damage expense at, when borne by tenant carrier.....	132
equipment for, taxes on, reimbursed by tenant carrier.....	176
expense of, billed against tenant carrier, distribution of.....	45
ferry service at, allowance for, in division of revenue.....	113
freight houses used jointly at, receipts from operation of.....	56
locomotives furnished for joint use at, payment for.....	72, 199
materials and supplies furnished under contract for use of.....	55
station property at, rent receipts from, when contract covers power furnished by carrier.....	150
station service at, pay of superintendence force engaged in	114
storehouses for supplies at, investment in.....	190
transfer of lading at, expense for.....	115
Terminal company expenses and fixed charges reimbursed by proprietary carriers.....	95
income, distribution of, to proprietary carriers	180
revenue from assembling l. c. l. shipments.....	245
revenue from making and breaking up trains.....	244
revenue from rate divisions in addition to switching charges.....	242
Testing laboratory apparatus, investment in and maintenance of.....	232
Theft of car brasses, expense for prevention of, by removal.....	36
Ticket agency, joint, apportionment of expense for.....	130
receipts, division of, under joint operation arrangement	46
Tie-treating plant, investment in.....	218
Ties for pit cattle guard construction.....	185
for spur track when furnished by industry benefited	183
for temporary tracks to forests and mines	75

	Case.
Tile ditches for roadway maintenance.....	264
Timekeepers for construction work, pay and outfits of.....	64
for shop work, pay of.....	163
Ton-miles of traffic between mines and concentration stations	7
of traffic on lines of nonoperating carrier.....	51
Tool expense apportionable to work done for others	25
replacement, shop devices for	131
storage, rent for building used for.....	266
Towers for carrying power lines over carrier's tracks.....	214
Trackage agreement, preparing and recording of.....	134
charges for delivery of excursion equipment to borrowing carrier.....	73
charges in connection with turning locomotives for another carrier.....	9
payments when outside carrier uses jointly used tracks of other carriers.....	92
payments when owning and tenant carriers use jointly.....	28, 28, 46
payments when owning carrier operates equipment only.....	18
payments when tenant carrier has sole use.....	3, 33, 139
<i>(See also Leased, Lessee, Lessor.)</i>	
Tracks, damage to, when borne by tenant carrier of joint facility.....	42
depreciation of, when constructed for temporary service.....	75
investment in, when constructed for temporary service.....	75
investment in, when construction is partly borne by industry benefited....	183
relocation of, when belonging to another carrier.....	101
retirement of, when originally charged to operating expense.....	69
switch maintenance in connection with.....	157, 203
telephone line location over, receipts from.....	13
Traffic expense for guaranty of Chautauqua against deficit.....	81
for joint ticket offices.....	130
for street car line operation.....	156
prior to actual operations.....	204
Train-miles of gasoline-electric motor combination cars.....	200
of service between mines and concentration stations.....	7
of service on line of another carrier.....	51, 68
of service operated on main line by transfer crew.....	97
Train service between mines and concentration stations, expenses and statistics of...	7
by gasoline motor cars, expense for.....	8
by locomotive engaged also in switching service.....	261
enginehouse expenses apportionable to carriers and joint yard.....	52
for delivery of equipment loaned to another carrier.....	73
for picnic, revenue from.....	24
for promotion of industries along line, expense for.....	121
on another carrier's line on behalf of carrier.....	241
on main line when conducted by transfer crew.....	97
operated by industry over lines of carrier.....	49
operated by one carrier on line of another.....	31, 77
water station expense, apportionment of.....	158
Train supplies and expenses for cleaning sleeping and dining car exteriors	85
for gasoline motor cars.....	8
for lubricating air-brake cylinders.....	133
for sleeping cars operating over carrier's line.....	165
for turning locomotives for another carrier.....	9
for work service, distribution of.....	50
under contract for joint use of terminals.....	55
Transfer crew, freight service operated by, expenses and statistics of.....	97
Transfers of capital stock, payments to trust companies for.....	196
of car lading, expense for.....	115
of car lading, receipts from.....	14, 154
of coal at coal wharves, revenues and expenses of.....	155
Transmission lines. <i>(See Power lines.)</i>	
Transportation costs on coal of carrier, adjustment of.....	117, 123, 124
on company material sold, adjustment of.....	79, 143
on equipment and supplies for hotels and restaurants.....	197
<i>(See also Freight charges.)</i>	
Traveling expenses of claims force.....	145
Trimming of coal at transfer from cars to vessels at wharves.....	256
of electric lights at yards, electricians' pay for.....	247

	Case.
Trolley poles of carrier, receipts from use of, by telephone company.....	70
Trucks of cars, retirement accounting for.....	40, 59
Trust company, payments to, for registration and transfer of stock.....	196
Trustee, dwelling held for carrier by, investment in.....	16
insurance recoveries held by, pending equipment replacement.....	181
pension fund held by, accounting for.....	34
Turning of locomotive of one carrier on facilities of another.....	9
Turntable motor, replacement of.....	112
Typewriting machines, installation and replacements of.....	238
purchased during construction.....	141

U.

Unadjusted credits.....	11, 183, 184, 289
Unclaimed baggage, termination of storage charges on.....	240
Uncollectible charges collected after having been written off.....	285
charges on misrouted shipments.....	250
customs charges omitted from billing by error.....	269
demurrage due to bankruptcy of debtor.....	282
revenues, duplicate overcharge refund assignable to.....	86
Undergrade crossings. (<i>See Crossings.</i>)	
Underground conduits for electric wires for nontransportation purposes.....	226
Unfunded debt interest, items assignable to.....	178, 179
Unloading of carrier's coal, adjustment of costs on.....	124
of carrier's lumber, employee's injuries incident to.....	159
of coal at coal wharves, revenues and expenses of.....	155
Unrefunded overcharges, temporary inclusion of, in current accounts.....	184, 202, 292

V.

Vegetable shipments, revenue from car heating incident to.....	152
Vessel cargoes, revenue from trimming of.....	256
cargoes, revenue from unloading of.....	153
service. (<i>See Ferry, Lighterage.</i>)	
Vice president, dwelling held by, as trustee for carrier.....	16
Violation of law. (<i>See Penalties.</i>)	
Voucher accounts, credits to.....	42, 130

W.

Wages. (<i>See Pay, Labor.</i>)	
Warehouse purposes, receipts from rent of station property for.....	150
site, investment in.....	208
Waste furnished to cars of another carrier.....	53
paper sales, receipts from.....	255
Water damage by overflows of inadequate waterways.....	4
damage causing displacement of track equipment.....	125
pipe line from shop to passenger-car yards, investment in.....	189
station expense apportionable to another carrier.....	158
supply for locomotive engaged in both train and yard service.....	261
supply furnished to cars of another carrier.....	53
supply furnished to sleeping cars operated on carrier's line.....	165
transfers, revenue properly assignable to.....	148
well and pumps for power plant, investment in.....	224
Watering of stock in transit, stock pens for, at stations.....	153
Waterways, damage expense due to overflows of.....	4
Way and structures. (<i>See Maintenance.</i>)	
Wedges for rerailing, investment in and renewals of.....	227
Weighing of cars, revenue from.....	147
Well for water supply of power plant, investment in.....	224
Wharves, injuries expense incurred during improvement of.....	110
revenues and expenses of, when operated for handling and storing coal.....	155
trimming of coal cargoes at, revenue and expenses of.....	256
Wicks for switch lamps, supply expense for.....	203
Wires. (<i>See Power lines, Telegraph.</i>)	
Witness fees in suit against carrier for false arrest.....	88
Wood used in firing up locomotives, expense for.....	12

	Case.
Work equipment disinfection expense.....	267
investment for locomotives transferred from commercial service....	234
investment for motor cars in hump yards.....	235
rent from roadway machines loaned.....	275
rent paid and received.....	175
repairs, rerailing devices includible in.....	227
Work train, injuries to prospective passenger by.....	19
supplies for, basis for cost distribution of.....	50
Wrecked bridge, construction work incident to repair of.....	62
equipment, restoration of, after flood from bursting dam.....	125
Wrecking crane, injury of engineer of, when engaged in improvement work.....	110
frogs for cabooses and locomotives, installation of.....	193
wedges and frogs for yards.....	227

Y.

Yard operation, drawbridge operation incident to, apportionment for.....	41
electric lights for, electricians pay for time on.....	247
joint, enginehouse expense apportionable partly to.....	52
joint, fuel station expense apportionable partly to.....	54
joint, pay of crossing flagmen at, apportionment of.....	67
joint, rent payable for equipment used in.....	44
motor cars for, installation and maintenance of.....	235
rerailing devices used in.....	227
supply costs for, basis for distribution of.....	50
supply expense for, when for switch lamps.....	203
Yard service between mines and concentration stations, expenses and statistics of.....	7
for assembling l. c. l. shipments, revenue from.....	245
for delivery of cars outside of regular yards, mileage of.....	48
for making up and breaking trains.....	244
for relieving locomotive laid off for repairs, expenses and mileage of.....	96
of locomotives engaged also in train service.....	261
Yards, lighting system for, investment in.....	225
rent payable for exclusive use of.....	83
water-supply pipe line from shop to, investment in.....	189

ADDITIONAL COPIES
OF THIS PUBLICATION MAY BE PROCURED FROM
THE SUPERINTENDENT OF DOCUMENTS
GOVERNMENT PRINTING OFFICE
WASHINGTON, D. C.
AT
5 CENTS PER COPY

